

EDUCATION OMNIBUS BUDGET: FY 2011-12
Summary: Conference Report
House Bill 4325 (H-1) CR-1



Mitchell E. Bean, Director

TOTAL APPROPRIATIONS BY BUDGET AREA

Budget Area (Bill Page) [Summary Page]	FY 2011-12 Line Item Appropriations		FY 2011-12 One-Time Appropriations		Total FY 2011-12 Appropriations	
	Gross	GF/GP	Gross	GF/GP	Gross	GF/GP
School Aid (2) [2]	12,198,872,900	118,642,400	460,200,000	0	12,659,072,900	118,642,400
Community Colleges (181) [15]	283,880,500	88,000,000	0	0	283,880,500	88,000,000
Higher Education (196) [21]	1,362,278,400	1,063,732,500	1,900,000	1,900,000	1,364,178,400	1,065,632,500
TOTAL	13,845,031,800	1,270,374,900	462,100,000	1,900,000	14,307,131,800	1,272,274,900

- Notes:**
- (1) "One-Time Appropriations" are items designated as one-time funding in budget bill language.
 - (2) Outside of technical adjustments needed to merge Community Colleges and Higher Education budgets into compiled School Aid Act, the appropriation amounts and budget bill language for each budget area in House Bill 4325 (H-1) CR-1 are identical to the contents of the Senate Bill conference reports for individual budget areas that have been approved by conference committees (Senate Bills 171, 178, and 183).

SCHOOL AID: FY 2011-12
Summary: Conference Report
Article I, House Bill 4325 (H-1) CR-1



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	FY 2010-11 Year-to-Date as of 2/17/11	FY 2011-12 Executive	FY 2011-12 Senate	FY 2011-12 House	FY 2011-12 Conference	Difference: Conference Vs. FY 2010-11	
						Amount	%
IDG/IDT	\$0	\$0	\$0	\$0	\$0	\$0	--
Federal							
ARRA	500,526,900	0	0	0	0	(500,526,900)	(100.0)
Non-ARRA	1,677,806,400	1,653,331,800	1,653,331,800	1,653,331,800	1,653,331,800	(24,474,600)	(1.5)
Local	0	0	0	0	0	0	--
Private	0	0	0	0	0	0	--
Restricted	10,937,260,500	10,107,684,900	10,528,263,800	10,111,241,700	10,887,098,700	(50,161,800)	(0.5)
GF/GP	18,642,400	412,542,400	218,642,400	461,172,700	118,642,400	100,000,000	536.4
Gross	\$13,134,236,200	\$12,173,559,100	\$12,400,238,000	\$12,225,746,200	\$12,659,072,900	(\$475,163,300)	(3.6)

Notes: (1) FY 2010-11 appropriation figures include the results of supplementals, Executive Order (EO) actions, and transfer adjustments through February 17, 2011. (2) "ARRA" represents temporary funds received under the federal American Recovery and Reinvestment Act or related sources. (3) HB 4325 (H-1) CR-1 also incorporates the FY 2010-11 supplemental changes as proposed in HB 4445. See page 13-14 for more detail.

Overview

The School Aid budget makes appropriations to the state's 551 local school districts, 247 public school academies, and 57 intermediate school districts (ISDs) for operations and certain categorical programs. It also appropriates funds to the Center for Education Performance and Information, Workforce Development Agency, and other entities to implement certain grants and other programs related to K-12 education.

Major Budget Changes From FY 2010-11 YTD Appropriations

1. Per Pupil Reduction of \$170 (Sec. 11d)

Executive rolls the per pupil reduction under this section into a permanent reduction of each district's foundation allowance under Sec. 20.

House, Senate, and Conference concur with Executive.

	FY 2010-11 YTD (as of 2/17/11)	Conference Change from Year-to-Date
Gross	(\$268,590,300)	\$268,590,300
Restricted	(268,590,300)	268,590,300

2. Proposal A Obligation Payment (Sec. 22a)

Executive reduces funding for FY 2011-12 by \$81.5 million to incorporate estimates in taxable values and pupil memberships. Also reflects the elimination of Sec. 6(4)(y), a declining enrollment grant which allows certain districts to use a 3-year average membership count for foundation payment purposes as opposed to the statutory one-year blend. Assumes taxable value changes and further pupil declines of 18,000 for FY 2012-13, which saves an additional \$92.0 million.

House reduces funding for FY 2011-12 by \$82.0 million to incorporate cost estimates and to eliminate all but \$100 placeholder Sec. 6(4)(y) declining enrollment grants, which was added in Sec. 22b.

Senate reduces funding by \$90.5 million for FY 2011-12 but maintains Sec. 6(4)(y).

Conference reduces by \$73.0 million to adjust for updated estimates, and maintains funding for Sec. (6)(4)(y).

Gross	\$5,764,000,000	(\$73,000,000)
Restricted	5,764,000,000	(73,000,000)

Major Budget Changes From FY 2010-11 YTD Appropriations		FY 2010-11 YTD (as of 2/17/11)	Conference Change from Year-to-Date
3. Discretionary Payment (Sec. 22b)			
<u>Executive</u> reduces funding by \$563.8 million in state funds and \$184.3 million in Federal ARRA funds for a total decrease in overall funding of \$748.0 million from the current year to adjust for the \$470 per pupil reduction in foundation allowance payments, the elimination of district specific foundation allowance adjustments (which range from an additional \$88 to \$1,173 per pupil, <i>See Major Boilerplate Changes, Section 20, Below</i>) and for estimated changes in taxable values and pupil estimates. FY 2012-13 estimates adjust for estimated taxable value and pupil changes in the following year.	Gross	\$3,757,756,600	(\$725,456,600)
	ARRA	184,256,600	(184,256,600)
	Restricted	3,573,500,000	(541,200,000)
<u>House</u> reduces funding by \$512.5 million in state funds along with the elimination of Federal ARRA funds for a total reduction of \$696.8 million. Reduces the foundation allowance for each district by an amount equal to 3.5% times the district's foundation allowance in FY 2010-11 or the basic foundation allowance, whichever is less, and then further reduces it by \$170 per pupil to roll in the Sec. 11d reductions.			
<u>Senate</u> reduces by \$537.3 million to reduce foundations by rolling in the \$170 per pupil reduction as well as an additional \$170 per pupil reduction. Also assumes savings of \$175 million for half foundation for half day kindergarten.			
<u>Conference</u> reduces state funding by \$541.2 million to concur with Executive to reduce foundations by a total of \$470 per pupil. Makes no changes to kindergarten funding in FY 2011-12. Reduces Small Class size adjustments from a total of \$19.7 million to \$13.5 million and reduces other foundation adjustments from a total of \$8.6 million to \$4.0 million. Funding for small class size and other foundation allowance adjustments is one-time funding for FY 2011-12 only. (For more details see Sec. 20 under <i>Major Boilerplate Changes below.</i>)			
4. School Bond Redemption Fund (Sec. 11j)			
<u>Executive</u> increases by \$88.4 million to pay for increased interest payments. (FY 2010-11 costs were reduced from \$45.1 million due to one-time refinancing savings.) FY 2012-13 figures reflect estimated cost changes for the following year.	Gross	\$5,167,800	\$88,407,500
	Restricted	5,167,800	88,407,500
<u>House, Senate, Conference</u> concur with Executive.			
5. Cash Flow Borrowing Costs (Sec.11m)			
<u>Executive</u> decreases costs to reflect anticipated lower interest rates for short-term borrowing costs related to the State School Aid Fund. FY 2012-13 costs are adjusted for anticipated increases.	Gross	\$45,000,000	(\$25,000,000)
	Restricted	45,000,000	(25,000,000)
<u>House, Senate, Conference</u> concur with Executive.			
6. Federal Education Jobs (EdJobs) Funds (Sec.11p)			
<u>Executive</u> eliminates one-time federal EdJobs funding which was distributed to districts based on the 2x formula with amounts ranging from \$111 to \$222 per pupil and to intermediate school districts based on a percentage of their Sec. 81 payments.	Gross	\$316,270,300	(\$316,270,300)
	Federal	316,270,300	(316,270,300)
<u>House, Senate, Conference</u> concur with Executive.			
7. Isolated and Rural District Grants (Sec. 22d)			
<u>Executive</u> eliminates funding for the two grant programs targeted at small, rural districts.	Gross	\$2,025,000	\$0
	Restricted	2,025,000	0
<u>House</u> concurs with Executive.			
<u>Senate</u> increases by \$2.0 million for a total of \$4.1 million.			
<u>Conference</u> maintains current year funding of \$2.0 million.			

Major Budget Changes From FY 2010-11 YTD Appropriations		FY 2010-11 YTD (as of 2/17/11)	Conference Change from Year-to-Date
<p>8. Michigan Business Tax (MBT) Impact on Out of Formula District Grants (Sec. 22e) <u>Executive</u> eliminates funding which held out-of-formula districts harmless from local personal property tax exemptions when the MBT was created. <u>House</u> concurs with Executive. <u>Senate</u> reduces to \$700,000 for districts with fewer than 500 pupils. <u>Conference</u> concurs with Senate but as one-time funding only for FY 2011-12.</p>	Gross Restricted	\$1,800,000 1,800,000	(\$1,100,000) (1,100,000)
<p>9. Best Practices One-Time Grants (Sec. 22f) <u>Conference</u> provides \$154.0 million in one-time funding from the FY 2010-11 School Aid Fund balance for an appropriation in FY 2011-12 for grants to districts in an amount equal to \$100 per pupil if they satisfy 4 out of 5 best practices. (For more detail see Sec. 22f under Major Boilerplate Changes below.)</p>	Gross Restricted	\$0 0	\$154,000,000 154,000,000
<p>10. DHS Juvenile Detention Facilities (Sec. 24a) <u>Executive</u> decrease costs of education for students held in Department of Human Service (DHS) juvenile detention facilities due to facility closures and therefore fewer pupils. <u>House, Senate, and Conference</u> concur with Executive.</p>	Gross Restricted	\$1,440,000 1,440,000	(\$242,500) (242,500)
<p>11. Youth Challenge Program (Sec. 24c) <u>Executive</u> decreases by \$97,000 to reflect actual FY 2010-11 grant award for the Youth Challenge program, a residential disciplinary program for at-risk youth, run by the Department of Military and Veterans Affairs department in Battle Creek. <u>House</u> concurs with Executive. <u>Senate</u> maintains current year funding. <u>Conference</u> concurs with Senate.</p>	Gross Restricted	\$742,300 742,300	\$0 \$0
<p>12. Payment in Lieu of Taxes Reimbursement (Sec. 26b) <u>Executive</u> decreases payments to reflect lower property values. <u>House</u> concurs with Executive. <u>Senate</u> eliminates funding for this program. <u>Conference</u> concurs with Executive and House.</p>	Gross Restricted	\$3,400,000 3,400,000	(\$510,000) (510,000)
<p>13. Declining Enrollment Grants (Sec. 29) <u>Executive</u> eliminates funding for this grant program which provides additional funds based on a three-year average membership for districts with two consecutive years of declining enrollment. <u>House, Senate, and Conference</u> concur with Executive.</p>	Gross Restricted	\$20,000,000 20,000,000	(\$20,000,000) (20,000,000)
<p>14. At-Risk Grants (Sec. 31a) <u>Executive</u> maintains total funding for At-risk pupil support to districts, but eliminates exceptions which currently allow Dearborn and Baldwin to qualify for funding despite language that otherwise prohibits out-of-formula funded districts from qualifying. Dearborn would lose an estimated \$4.9 million and Baldwin would lose an estimated \$243,400. The funds would be distributed among all other qualifying districts. <u>House</u> concurs with the total funding for At-Risk programs, but maintains exceptions to allow Dearborn and Baldwin to qualify for funding. <u>Senate</u> reduces the line by \$5.0 million and eliminates the exceptions for Dearborn and Baldwin. <u>Conference</u> concurs with Executive to maintain current year funding but eliminate exceptions for Dearborn and Baldwin.</p>	Gross Restricted	\$308,988,200 308,988,200	\$0 0

Major Budget Changes From FY 2010-11 YTD Appropriations		FY 2010-11 YTD (as of 2/17/11)	Conference Change from Year-to-Date
15. Early Childhood Investment Corporation (ECIC) Great Start Collaboratives (Sec. 32b)			
<u>Executive</u> maintains total funding for grants to ISDs distributed through ECIC for Great Start Collaboratives to coordinate early childhood programs.			
<u>House</u> maintains funding for current year and provides intent to transfer funding in FY 2012-13 into early childhood block grants along with funding under Sec. 32d and 32j.			
<u>Senate</u> reduces by \$100,000.			
<u>Conference</u> concurs with Senate funding and with the House's intent language for FY 2012-13.			
	Gross	\$6,000,000	(\$100,000)
	Restricted	6,000,000	(100,000)
16. Great Start School Readiness Preschool Program (Sec. 32d)			
<u>Executive</u> maintains funding for preschool programs provided by districts (\$89.4 million) and non-district programs (\$8.9 million) and a longitudinal study of preschool (\$300,000) at current funding levels.			
<u>House</u> maintains total funding for FY 2011-12 for programs but shifts all revenues to School Aid Fund and distributes funding to intermediate districts that will act as fiduciaries and distribute funds to districts and competitive programs. Provides intent to transfer funding in FY 2012-13 into early childhood block grants along with funding under Sec. 32b and 32j. (See other changes in Major Boilerplate Changes below.)			
<u>Senate</u> adds \$6.0 million to GSRP district programs.			
<u>Conference</u> concurs with Senate funding levels and with House changes to make ISD fiduciaries of all GSRP funding and intent language for FY 2012-13.			
	Gross	\$98,575,000	\$6,000,000
	Restricted	89,400,000	14,875,000
	GF/GP	\$9,175,000	(\$8,875,000)
17. Great Parents Great Start Program (Sec. 32j)			
<u>Executive</u> maintains total funding for grants to ISDs for programs for parents of children age 0-5.			
<u>House</u> maintains funding for current year and provides intent to transfer funding in FY 2012-13 into early childhood block grants along with funding under Sec. 32d and 32j.			
<u>Senate</u> concurs with Executive.			
<u>Conference</u> concurs with House and Senate funding levels and House intent language for FY 2012-13.			
	Gross	\$5,000,000	\$0
	Restricted	5,000,000	0
18. Bilingual Education Grants (Sec. 41)			
<u>Executive</u> eliminates funding that provides districts additional funds for educating students of limited English-speaking ability.			
<u>House, Senate, and Conference</u> concur with Executive.			
	Gross	\$2,800,000	(\$2,800,000)
	Restricted	2,800,000	(2,800,000)
19. Special Education Payments (Sec. 51a)			
<u>Executive</u> reflects estimated federal funding decrease of \$22.3 million and reduces required state payments by \$66.1 million based on cost estimates. Adjusts FY 2012-13 funding for estimated cost increases.			
<u>House, Senate, and Conference</u> revise costs based on estimates related to varying funding proposals.			
	Gross	\$1,517,583,000	(\$103,713,900)
	Federal	459,700,000	(22,300,000)
	Restricted	1,057,883,000	(81,413,900)
20. Special Education Hold-Harmless Payment (Sec. 51a(3))			
<u>Executive</u> eliminates funding for ISDs that receive a hold-harmless payment that guarantees their funding will not fall below 1996-97 funding levels under former sec. 52 and 58.			
<u>House</u> concurs with Executive.			
<u>Senate</u> maintains current year funding levels.			
<u>Conference</u> reduces appropriation to \$1.0 million.			
	Gross	\$1,400,000	(\$400,000)
	Restricted	1,400,000	(400,000)

Major Budget Changes From FY 2010-11 YTD Appropriations		FY 2010-11 YTD (as of 2/17/11)	Conference Change from Year-to-Date
21. Special Education Intermediate School District (ISD) Center FICA (Sec. 51a(8))	Gross	\$15,313,900	(\$15,313,900)
Executive eliminates funding for payments which are based on previous state allocations for retirement and Social Security costs attributable to center program employees. House concurs with Executive. Senate maintains current year funding levels. Conference concurs with Executive and House.	Restricted	15,313,900	(15,313,900)
22. Middle College Program (Sec. 64)	Gross	\$2,000,000	(\$2,000,000)
Executive eliminates funding for this program which helps districts develop a middle college with a 5th year of high school in conjunction with a career college or university program. House, Senate, and Conference concur with Executive.	Restricted	2,000,000	(2,000,000)
23. Precollege Engineering and Science Grants (Sec. 65)	Gross	\$905,100	(\$905,100)
Executive eliminates funding for this program in Detroit, Grand Rapids, and Bay-Arenac, Huron and Tuscola ISDs. House, Senate, and Conference concur with Executive.	Restricted	905,100	(905,100)
24. School Bus Inspections (Sec. 74)	Gross	\$433,800	\$1,095,800
Executive increases funding to reflect current law, which requires the Michigan State Police to conduct all safety inspections, rather than simply doing random audits of school district safety inspections. House, Senate, and Conference concur with Executive.	Restricted	433,800	1,095,800
25. ISD General Operations Support (Sec. 81)	Gross	\$65,376,800	(\$3,268,800)
Executive reduces funding by \$3.3 million or 5.0% from current year levels. House, Senate, and Conference concur with Executive.	Restricted	65,376,800	(3,268,800)
26. Postsecondary Agriculture Education Grant (Sec. 92)	Gross	\$300,000	(\$300,000)
Executive eliminates funding for a new program added in FY 2010-11 at Saginaw Valley State University. House, Senate, and Conference concur with Executive.	Restricted	300,000	(300,000)
27. State Aid to Libraries for Michigan Electronic Library Catalog (MeLCat) Support (Sec. 93)	Gross	\$1,500,000	(\$195,700)
Executive eliminates funding for State Aid to Libraries. In addition, the Executive recommendation eliminates \$2.3 million in the Department of Education budget for State Aid to Libraries. House concurs with Executive. Senate increases funding to \$3.6 million. Conference reduces School Aid appropriation to \$1.3 million which in addition to the \$5.4 million in the MDE budget, totals \$6.75 million.	Restricted	1,500,000	(195,700)
28. Center for Educational Performance and Information (CEPI) (Sec. 94a)	Gross	\$23,928,900	(\$15,534,000)
Executive shifts \$8.4 million in School Aid Funds, which were added in FY 2010-11 to support the efforts of districts in linking individual teachers to student achievement data, to Section 152a, which reimburses districts for data collection and reporting costs. Also removes \$7.2 million in Federal funding authorization which was increased in anticipation of a Federal Race to the Top award which the state did not receive. Also includes \$80,600 in GF/GP for economic increases at CEPI. House, Senate, and Conference concur with Executive.	Federal	10,067,800	(7,174,600)
	Restricted	8,440,000	(8,440,000)
	GF/GP	\$5,421,100	\$80,600
29. Positive Behavioral Support Program (Sec. 99i)	Gross	\$300,000	(\$300,000)
Executive eliminates funding for this program in the Pontiac school district. House, Senate, and Conference concur with Executive.	Restricted	300,000	(300,000)

Major Budget Changes From FY 2010-11 YTD Appropriations		FY 2010-11 YTD (as of 2/17/11)	Conference Change from Year-to-Date
30. Michigan Educational Assessment Program (MEAP) Program (Sec. 104)	Gross	\$43,444,400	\$0
	Federal	3,250,000	5,000,000
	Restricted	40,194,400	(5,000,000)
Executive shifts federal Title VI funds, which were used in the FY 2010-11 Department of Education budget for a one-time rewrite of the secure site for the Office of Education Assessment and Accountability, back to the MEAP program, allowing for a reduction in School Aid Fund support. House, Senate, and Conference concur with Executive.			
31. MPSERS - One-Time Cost Offset (Sec. 147a)	Gross	\$0	\$155,000,000
	Restricted	0	155,000,000
Conference appropriates \$155.0 million from the FY 2010-11 School Aid Fund balance for a one-time payment to districts in FY 2011-12 to partially offset increases in MPSERS employer contribution costs. Distributions will be calculated based on a share of MPSERS payroll.			
32. MSPERS - Reserve for Retirement Obligation Reform (Sec. 147b)	Gross	\$0	\$133,000,000
	Restricted	0	133,000,000
Conference appropriates \$133.0 million from the FY 2010-11 School Aid Fund balance for a one-time appropriation in FY 2011-12 into a reserve fund for MPSERS retirement obligation reform.			
33. ADAIR - Database Payment (Sec. 152a)	Gross	\$25,624,500	\$8,440,000
	Restricted	25,624,500	8,440,000
Executive shifts \$8.4 million in School Aid Funds from CEPI, which were added in FY 2010-11 to support the efforts of districts in linking individual teachers to student achievement data, to this section which provides funds to districts for data collection and reporting costs. House, Senate, and Conference concur with Executive.			

Major Boilerplate Changes From FY 2010-11

Sec. 6(4)(r). Kindergarten Pupil Membership Definition - REVISED

House maintains current law for FY 2011-12 but requires that beginning in FY 2012-13, a kindergarten pupil must receive an equal number of instructional hours as pupils in grades 1-12 to be counted as a full FTE. Therefore, districts would only receive a full foundation allowance for a kindergarten pupil for a full-day instructional program.
Senate requires a full day of instruction for a full foundation allowance beginning in FY 2011-12.
Conference concurs with House.

Sec. 6(7). Fall Count Day - REVISED

Executive revises the fall pupil membership count day from the fourth Wednesday in September to the first Wednesday in October.
House maintains current law.
Senate concurs with Executive.
Conference concurs with Executive and Senate.

Sec. 6(19). Definition of Textbook - REVISED

Executive revises to add "electronic book, or other instructional print or electronic resource" to the definition of a textbook.
House, Senate, and Conference concur with Executive.

Sec. 11. Proration Language - REVISED

Executive moves the language, which provides for a method for prorating school aid funds in the event that the appropriations exceed the available school aid fund revenue, to Section 195 of an Education omnibus bill. Under the bill, the proration language would now also apply to School Aid Funds appropriated to community colleges and universities.
House concurs with the Executive, but moves the language to Section 296.
Senate concurs with Executive on proration language applying to School Aid Funds appropriated to community colleges and universities but leaves it in Section 11 and maintains 3 separate bills for funding School Aid, community colleges and higher education.
Conference concurs with Senate.

Major Boilerplate Changes From FY 2010-11

Sec. 12. FY 2012-13 Appropriations - NEW

Senate adds intent language that the same funding levels will be appropriated for FY 2012-13 as they are in FY 2011-12 adjusted for changes in taxable values, special education costs, and pupil counts.

Conference concurs.

Sec. 18(5). District Financial Data - REVISED

Executive eliminates a requirement that the department make district financial data available online and shall include per pupil amounts spent on instruction and instructional support service functions, and the portion of costs attributable to salaries because it duplicates information provided in Department Bulletins 1011 and 1014. Also eliminates the requirement that districts post a link on their websites to the department website where the financial information was posted. (*This is not an elimination of the budgetary transparency information that each district and ISD are required to post on their own websites.*)

House concurs with Executive.

Senate concurs with Executive and House but adds a reporting requirement that districts and ISDs post health care bids required under the Public Employees Health Benefit Act on their websites.

Conference concurs with Senate.

Sec. 20. Foundation Allowances – REVISED

Executive revises the calculation of district foundation allowances to reduce each district's foundation allowance to reflect the \$470 per pupil reduction. Also eliminates foundation allowance adjustments based on small class size and adjustments for specific districts including Bois Blanc, Wayne-Westland, Gibraltar, Garden City and Huron. Under this proposal the minimum foundation allowance would equal \$6,846 and the basic foundation allowance would equal \$8,019.

House revises the calculation of district foundation allowances to reduce each district's foundation allowance by 3.5% time the district's FY 2010-11 foundation allowance or the basic foundation allowance, whichever is less, and then further reduces each foundation allowance by \$170 per pupil in order to roll in the Section 11d per pupil reductions. Under this proposal the minimum foundation allowance would equal \$6,890 and the basic foundation allowance would equal \$8,022. Total per pupil reductions would range from \$426 per pupil at the minimum foundation to \$467 per pupil at the basic foundation or above. House concurs on elimination of district-specific and small class size foundation adjustments.

Senate revises the calculation of district foundation allowances to reduce each by \$340. Reduces the minimum foundation to \$6,976 and the basic foundation to \$8,149. Maintains \$100 placeholders for the following district specific foundation allowances: Wayne Westland, Gibraltar, Huron, and Garden City, and small class size adjustments.

Conference concurs with the Executive to reduce foundation allowances by \$470. Provides a one-time foundation allowance adjustments at 50% for Wayne Westland, Gibraltar, Huron, and Garden City for FY 2011-12 only. Provides one-time funding of \$13.5 million for small class size adjustment for FY 2011-12 only.

Sec. 22f. Best Practices Incentives for FY 2011-2012 – NEW

House creates an incentive grant beginning in FY 2012-13 for districts and ISDs that implement best practices including, at a minimum, two identified practices: That a district or ISD (1) pay no more than a state maximum allowable employer contribution for health care benefits for employees and (2) develop a services consolidation plan in agreement with the department if it hasn't already done so under former Section 11d, and if it has, then it must continue to implement that plan and annually report on progress. The state maximum health care benefit would have four rates depending on type of coverage: employee only, employee spouse, employee and children, and full family. For FY 2012-13 the state maximum employer contribution would equal 80% of the state's health plan for each of the four coverage levels in FY 2011-12. In subsequent years the dollar cap would grow by the increase in the Detroit Consumer Price Index.

Senate appropriates \$200.0 million in FY 2011-12 for grants to districts and ISDs for the purposes of best practices, retirement reform, tenure appeals, testing reforms, remedial education at community colleges or universities, or other items determined by the Legislature. Could include service sharing, consolidation of administration, performance based compensation, health care cost containment and premium sharing, and fiscal transparency.

Conference provides \$154.0 million in one-time grants for districts that satisfy 4 out of the 5 following best practices: 1) Have a 90/10 premium share for employee health benefits. 2) District acts as policy holder of health insurance policies. A district that does not directly employ its staff would be considered to have satisfied this practice. 3) Enter into or continue consolidation plans. 4) Obtain competitive bid on at least one non-instructional service totaling more than \$50,000. 5) Make a public dashboard with financial indicators and performance indicators. Adds subsection that if a district is found to have intentionally submitted false information to satisfy this section, that they will forfeit an amount equal to their incentive payment from their total state aid payment in FY 2012-13.

Major Boilerplate Changes From FY 2010-11

Sec. 31a. At-Risk Payment – REVISED

Executive eliminates exceptions made for Dearborn and Baldwin which would otherwise prohibit districts whose combined state and local revenue per pupil exceeds the basic foundation allowance from receiving At-risk funds. The exception for Dearborn is because more than 25% and at least 4,500 of its students qualify for free or reduced food programs. The exception for Baldwin is because more than 75% of its students qualify for free or reduced food programs. The current allocation for Dearborn is reduced to 75% of its allocation as would otherwise be calculated under the formula.

House retains current exceptions which allow Dearborn and Baldwin to qualify for funding. Also makes providing a crisis intervention or anti-bullying program an allowable use of at-risk funds.

Senate concurs with Executive.

Conference concurs with Executive and Senate on eliminating earmarks for Dearborn and Baldwin but concurs with House on adding a crisis intervention program or anti-bullying program an allowable use of at-risk funds.

Sec. 32b. Early Childhood Investment Cooperation (ECIC) Collaborative Report – REVISED

Executive eliminates the required Department report due by December 1 of each year to the appropriations subcommittees, the state budget director, and the fiscal agencies a detailed report of the grants awarded under this section and an analysis of each grant recipient's success in addressing the development of a comprehensive system of early childhood services and supports. House maintains reporting requirement and establishes intent to move funding in FY 2012-13 to early childhood block grant program administered by ISDs in conjunction with local great start collaboratives. Requires department to work with intermediate districts, districts, great start collaboratives, and ECIC to revise application processes, funding formulas, program criteria, and data reporting requirements and report recommendations to legislature by January 1, 2012.

Senate concurs with Executive but prohibits the use of funds for direct administration.

Conference concurs with House.

Sec. 32d. Great Start School Readiness Program (GSRP) – REVISED

Executive eliminates the option that districts may use their GSRP funds for parenting education programs. Currently only districts that were using funds for such programs in 2006-07 may continue to do so and may not spend more than they spent in 2006-07 on parenting education programs.

House maintains current law. Senate concurs with Executive. Conference concurs with House.

Executive revises early childhood teaching requirements to recognize new early childhood teaching certification (ZS) and to require teachers to complete compliance plans within 2 years rather 4 years from the date of employment. Also eliminates exception for subcontracted programs allowing teachers with 90 credit hours and at least 4 years' teaching experience in a qualified preschool program to meet the requirements to participate in the program.

House, Senate and Conference concur with Executive.

Executive revises the definitions of a full-day program and a school-day program, such that a school-day program would be one that operates for the same length of day as the district's first grade, for a minimum of 4 days a week, 30 weeks a year. A full-day program would only be those that provide supplementary child care so that the program totals at least 10 hours per day. Only a full-day program would still be given priority in the allocation of funds (Section 39(8)).

House maintains current law. Senate and Conference concur with Executive.

House revises this subsection to allocate funds to intermediate districts or consortia to act as fiduciaries for the programs. Requires that in FY 2011-12 the intermediate districts and consortia distribute funds to districts and to competitive programs based on the current funding formula for districts in Sec. 39 and the grant award distribution for competitive programs in Sec. 32l as directed by the department. Requires districts and competitive grant recipients to comply with existing program requirements. Establishes intent to move funding in FY 2012-13 to early childhood block grant program administered by ISDs in conjunction with local great start collaboratives. Requires department to work with intermediate districts, districts, great start collaboratives, and ECIC to revise application processes, funding formulas, program criteria, and data reporting requirements and report recommendations to legislature by January 1, 2012.

Senate does not include this language. Conference concurs with House.

Sec. 32j. Great Parents Great Start Report – REVISED

Executive eliminates the required Department report due by December 1 of each year to the state budget director, and the fiscal agencies a report summarizing the data collected by each ISD on the number of children in families under 200% of the federal poverty level receiving services under this section and the total number of children receiving services under this section.

House concurs to delete reporting requirement and establishes intent to move funding in FY 2012-13 to early childhood block grant program administered by ISDs in conjunction with local great start collaboratives. Requires department to work with intermediate districts, districts, great start collaboratives, and ECIC to revise application processes, funding formulas, program criteria, and data reporting requirements and report recommendations to legislature by January 1, 2012.

Senate does not include this language. Conference concurs with House.

Sec. 40. GSRP report – REVISED

Executive eliminates the biennial report of the department's review of alternative methods for determining number of children construed to be in need of school readiness programs.

House, Senate, and Conference concur with Executive.

Major Boilerplate Changes From FY 2010-11

Sec. 51a(15). Public School Academy (PSA) Special Education – RETAINED

Executive eliminates rules for the provision of special education programs and services and the payment for the added costs of special education for PSA pupils who live outside of the intermediate school district in which the PSA is located. Requires the responsibility and costs to remain with the district or ISD in which the pupil lives unless the PSA and the district or ISD in which it is located in have a written agreement with the resident district or ISD that specifies the responsibility for those costs.

House, Senate, and Conference maintain current language.

Sec. 56. Special Education Millage Equalization – REVISED

Executive revises the per pupil millage equalization levels to \$174,700 for reimbursements made in FY 2011-12 and \$173,000 for reimbursements made in FY 2012-13, to adjust for taxable value estimates.

House, Senate, and Conference concur with Executive.

Sec. 62. Vocational Education Millage Equalization – REVISED

Executive revises the per pupil millage equalization levels to \$190,400 for reimbursements made in FY 2011-12 and \$188,300 for reimbursements made in FY 2012-13, to adjust for taxable value estimates.

House, Senate, and Conference concur with Executive.

Sec. 81(6). Intermediate School Districts (ISDs) General Operations – DELETED

Executive eliminates language which would protect from future reductions the portion of an ISD's allocation under Sec. 81 equal to the amount transferred into Section 81 for each ISD in 1994-95 from former section 146 and section 147 related to (Federal Insurance Contributions Act) FICA and retirement.

House, Senate, and Conference concur with Executive.

Sec. 94a. Center for Educational Performance and Information (CEPI) – REVISED

Executive eliminates the CEPI advisory board language which was eliminated pursuant to Executive Order 2010-16.

House, Senate, and Conference concur with Executive.

Sec. 98. Michigan Virtual School – RETAINED

Executive eliminates the requirement that Michigan Virtual University (MVU) report each December 1 to the appropriations subcommittees, the fiscal agencies, and the state budget director information including a list of Michigan school served by MVU, a list of available online courses offered to Michigan schools, the total number of online course enrollments and completions, overall course completion rate, a summary of federal grant expenditures, and a summary of unmet educational needs that could be addressed by MVU.

House maintains current language. Senate concurs with Executive. Conference concurs with House.

Sec. 99. Math and Science Centers – NEW

Executive adds a reporting requirement that by July 1, each center receiving funds shall report to the Department performance measures including the statistical change in pre- and post-assessment scores for students enrolled in math and science activities at the center and the statistical change in pre- and post-assessment scores for teachers enrolled in professional development provided by the center.

House, Senate and Conference concur with Executive.

Sec. 104. Assessments – RETAINED

Senate prohibits 9th grade testing. Conference maintains current law.

Sec. 107(6). Adult Education Community College Program – DELETED

Executive eliminates a \$200,000 grant for expanding an innovative community college program that focuses on educating adults, which currently goes to Grand Rapids Community College.

House maintains current language. Senate and Conference concur with Executive.

Sec. 109. Instructional Services for Students Hospitalized or Confined to Home – REVISED

Executive eliminates the requirement that the department provide a written explanation of a district's responsibilities under this section to each district and to persons upon request and only requires the department to post them online.

House maintains an annual notification to each district but would allow the Department to do so electronically.

Senate concurs with Executive. Conference concurs with House.

Sec. 147. Michigan Public School Employees Retirement System (MPERS) Employer Contribution Rates – REVISED

Executive estimates the MPERS employer contribution rates for FYs 2011-12 and 2012-13 as follows:

House, Senate, and Conference concur with Executive.

	FY 2010-11		FY 2011-12		FY 2012-13	
	Employees Pre-July 1, 2010	Employees on or after July 1, 2010	Employees Pre-July 1, 2010	Employees on or after July 1, 2010	Employees Pre-July 1, 2010	Employees on or after July 1, 2010
Pension Rate	12.16%	10.66%	15.96%	14.73%	18.62%	17.39%
Retiree Health Rate	8.50%	8.50%	8.50%	8.50%	8.75%	8.75%
Total Rate	20.66%	19.16%	24.46%	23.23%	27.37%	26.14%

SCHOOL AID LINE ITEM SUMMARY



Sec.	Foundation Allowance Increases:	FY 2010-11		FY 2011-12		FY 2011-12		FY 2011-12		FY 2011-12	
		PA 217 of 2010 YTD	Change From PA 217 of 2010 (\$470)	Executive Rec	Change From PA 217 of 2010 (3.5%) and (\$170)	House Passed	Change From PA 217 of 2010 (\$340)	Senate Passed	Change From PA 217 of 2010 (\$470)	Conference Committee	
11d	Per Pupil Reduction	(268,590,300)	\$268,590,300	\$0	\$268,590,300	\$0	\$268,590,300	\$0	\$268,590,300	\$0	\$0
11d	Transportation Reduction					\$0		\$0			\$0
11d	Grade Differential Reduction					\$0		\$0			\$0
11g	Durant - Debt Service	\$39,000,000		\$39,000,000		\$39,000,000		\$39,000,000		\$39,000,000	
11j	School Bond Redemption Fund	\$5,167,800	\$88,407,500	\$93,575,300	\$88,407,500	\$93,575,300	\$88,407,500	\$93,575,300	\$88,407,500	\$93,575,300	\$88,407,500
11m	Cash Flow Borrowing Costs	\$45,000,000	(\$25,000,000)	\$20,000,000	(\$25,000,000)	\$20,000,000	(\$25,000,000)	\$20,000,000	(\$25,000,000)	\$20,000,000	\$20,000,000
11p	Federal Ed Jobs Funding	\$316,270,300	(\$316,270,300)	\$0	(\$316,270,300)	\$0	(\$316,270,300)	\$0	(\$316,270,300)	\$0	\$0
22a	Proposal A Obligation Payment	\$5,764,000,000	(\$81,500,000)	\$5,682,500,000	(\$82,000,000)	\$5,682,000,000	(\$90,500,000)	\$5,673,500,000	(\$73,000,000)	\$5,691,000,000	\$5,691,000,000
22b	Discretionary Payment - State	\$3,573,500,000	(\$563,787,000)	\$3,009,713,000	(\$512,499,900)	\$3,061,000,100	(\$537,286,800)	\$3,036,213,200	(\$541,200,000)	\$3,032,300,000	\$3,032,300,000
22b	Discretionary Payment - Federal ARRA	\$184,256,600	(\$184,256,600)	\$0	(\$184,256,600)	\$0	(\$184,256,600)	\$0	(\$184,256,600)	\$0	\$0
22d	Isolated District Funding	\$2,025,000	(\$2,025,000)	\$0	(\$2,025,000)	\$0	\$2,025,000	\$4,050,000		\$2,025,000	
22e	MBT Impact on Out of Formula Districts	\$1,800,000	(\$1,800,000)	\$0	(\$1,800,000)	\$0	(\$1,100,000)	\$700,000	(\$1,100,000)	\$700,000	\$700,000
22f	Best Practices	\$0		\$0		\$0	\$200,000,000	\$200,000,000	\$154,000,000	\$154,000,000	\$154,000,000
24	Court-Placed Pupils	\$8,000,000		\$8,000,000		\$8,000,000	(\$500,000)	\$7,500,000		\$8,000,000	
24a	Juvenile Detention Facility Programs	\$1,440,000	(\$242,500)	\$1,197,500	(\$242,500)	\$1,197,500	(\$242,500)	\$1,197,500	(\$242,500)	\$1,197,500	\$1,197,500
24c	Youth Challenge Program	\$742,300	(\$97,500)	\$644,800	(\$97,500)	\$644,800		\$742,300		\$742,300	
26a	Renaissance Zone Reimbursement	\$26,300,000		\$26,300,000		\$26,300,000	(\$13,150,000)	\$13,150,000		\$26,300,000	
26b	PLT Reimbursement	\$3,400,000	(\$510,000)	\$2,890,000	(\$510,000)	\$2,890,000	(\$3,400,000)	\$0	(\$510,000)	\$2,890,000	\$2,890,000
29	Declining Enrollment Grants	\$20,000,000	(\$20,000,000)	\$0	(\$20,000,000)	\$0	(\$20,000,000)	\$0	(\$20,000,000)	\$0	\$0
31a	"At Risk" Pupil Support	\$308,988,200		\$308,988,200		\$308,988,200	(\$5,000,000)	\$303,988,200		\$308,988,200	
31a(6)	School Based Health Centers	\$3,557,300		\$3,557,300		\$3,557,300		\$3,557,300		\$3,557,300	
31a(7)	Hearing and Vision Screening	\$5,150,000		\$5,150,000		\$5,150,000		\$5,150,000		\$5,150,000	
31d	State School Lunch Programs	\$22,495,100		\$22,495,100		\$22,495,100		\$22,495,100		\$22,495,100	
31d	Federal School Lunch Programs	\$402,506,000		\$402,506,000		\$402,506,000		\$402,506,000		\$402,506,000	
31f	School Breakfast Program	\$9,625,000		\$9,625,000		\$9,625,000		\$9,625,000		\$9,625,000	
32b	ECIC Collaborative Grants	\$6,000,000		\$6,000,000		\$6,000,000	(\$100,000)	\$5,900,000	(\$100,000)	\$5,900,000	\$5,900,000
32c	Early Childhood Grants	\$0		\$0		\$0		\$0		\$0	
32d	Great Start School Readiness - District Grants	\$89,700,000		\$89,700,000		\$89,700,000	\$6,000,000	\$95,700,000	\$6,000,000	\$95,700,000	\$95,700,000
32d	Great Start School Readiness - Competitive	\$8,875,000		\$8,875,000		\$8,875,000		\$8,875,000		\$8,875,000	
32j	Great Parents Great Start ISD Grants	\$5,000,000		\$5,000,000		\$5,000,000		\$5,000,000		\$5,000,000	
39a1	Federal "No Child Left Behind"	\$761,973,600		\$761,973,600		\$761,973,600		\$761,973,600		\$761,973,600	
39a2	Other Federal Funding	\$32,359,700		\$32,359,700		\$32,359,700		\$32,359,700		\$32,359,700	
41	Bilingual Education Grants	\$2,800,000	(\$2,800,000)	\$0	(\$2,800,000)	\$0	(\$2,800,000)	\$0	(\$2,800,000)	\$0	\$0
51a	Special Education - Federal	\$459,700,000	(\$22,300,000)	\$437,400,000	(\$22,300,000)	\$437,400,000	(\$22,300,000)	\$437,400,000	(\$22,300,000)	\$437,400,000	\$437,400,000
51a(2)	Special Ed ISD Foundation and Costs	\$248,200,000	(\$2,500,000)	\$245,700,000	(\$2,700,000)	\$245,500,000	(\$2,500,000)	\$245,700,000	(\$2,700,000)	\$245,500,000	\$245,500,000
51a(3)	Special Ed ISD Hold Harmless Payment	\$1,400,000	(\$1,400,000)	\$0	(\$1,400,000)	\$0		\$1,400,000	(\$400,000)	\$1,000,000	\$1,000,000
51a(6)	Special Ed Admin Rules Changes	\$2,200,000		\$2,200,000		\$2,200,000		\$2,200,000		\$2,200,000	
51a(8)	Special Ed ISD Center FICA	\$15,313,900	(\$15,313,900)	\$0	(\$15,313,900)	\$0		\$15,313,900	(\$15,313,900)	\$0	\$0
51a(12)	Special Ed Foundations for Non Sec. 52 to ISDs	\$6,600,000	\$200,000	\$6,800,000	\$200,000	\$6,800,000	\$200,000	\$6,800,000	\$200,000	\$6,800,000	\$6,800,000
51c	Special Ed Headlee Obligation (Durant)	\$732,100,000	(\$63,800,000)	\$668,300,000	(\$62,200,000)	\$669,900,000	(\$63,800,000)	\$668,300,000	(\$62,200,000)	\$669,900,000	\$669,900,000
53a	Special Ed for Court Placed Pupils	\$13,500,000		\$13,500,000		\$13,500,000		\$13,500,000		\$13,500,000	
54	Special Ed Michigan School Blind/Deaf	\$1,688,000		\$1,688,000		\$1,688,000		\$1,688,000		\$1,688,000	
56	Special Ed ISD Millage Equalization	\$36,881,100		\$36,881,100		\$36,881,100		\$36,881,100		\$36,881,100	
61a	Vocational-Technical Education Programs	\$26,611,300		\$26,611,300		\$26,611,300		\$26,611,300		\$26,611,300	
62	ISD Vocational Education Millage Equalization	\$9,000,000		\$9,000,000		\$9,000,000		\$9,000,000		\$9,000,000	
64	Middle College Program	\$2,000,000	(\$2,000,000)	\$0	(\$2,000,000)	\$0	(\$2,000,000)	\$0	(\$2,000,000)	\$0	\$0
65	Precollege Engineering and Science Programs	\$905,100	(\$905,100)	\$0	(\$905,100)	\$0	(\$905,100)	\$0	(\$905,100)	\$0	\$0
74	Bus Driver Safety Instruction	\$1,625,000		\$1,625,000		\$1,625,000		\$1,625,000		\$1,625,000	
74	School Bus Inspections	\$433,800	\$1,095,800	\$1,529,600	\$1,095,800	\$1,529,600	\$1,095,800	\$1,529,600	\$1,095,800	\$1,529,600	\$1,529,600
81	ISD General Operations Support	\$65,376,800	(\$3,268,800)	\$62,108,000	(\$3,268,800)	\$62,108,000	(\$3,268,800)	\$62,108,000	(\$3,268,800)	\$62,108,000	\$62,108,000
92	Postsecondary Agriculture Education Program	\$300,000	(\$300,000)	\$0	(\$300,000)	\$0	(\$300,000)	\$0	(\$300,000)	\$0	\$0
93	State Aid to Libraries for MELCat Support	\$1,500,000	(\$1,500,000)	\$0	(\$1,500,000)	\$0	\$2,107,300	\$3,607,300	(\$195,700)	\$1,304,300	\$1,304,300

SCHOOL AID LINE ITEM SUMMARY



	FY 2010-11	FY 2011-12		FY 2011-12		FY 2011-12		FY 2011-12		
		PA 217 of 2010 YTD	Change From PA 217 of 2010	Executive Rec	Change From PA 217 of 2010	House Passed	Change From PA 217 of 2010	Senate Passed	Change From PA 217 of 2010	Conference Committee
94a	Center for Educational Performance	\$13,861,100	(\$8,359,400)	\$5,501,700	(\$8,359,400)	\$5,501,700	(\$8,359,400)	\$5,501,700	(\$8,359,400)	\$5,501,700
94a	Center for Educational Performance - Federal	\$10,067,800	(\$7,174,600)	\$2,893,200	(\$7,174,600)	\$2,893,200	(\$7,174,600)	\$2,893,200	(\$7,174,600)	\$2,893,200
98	Michigan Virtual School	\$1,687,500		\$1,687,500		\$1,687,500	(\$250,000)	\$1,437,500		\$1,687,500
98	Michigan Virtual School - Federal	\$2,700,000		\$2,700,000		\$2,700,000		\$2,700,000		\$2,700,000
98d	Online Courses	\$0		\$0		\$0		\$0		\$0
99	Math and Science Centers - State	\$2,625,000		\$2,625,000		\$2,625,000	(\$100,000)	\$2,525,000		\$2,625,000
99	Math and Science Centers - Federal	\$5,249,300		\$5,249,300		\$5,249,300		\$5,249,300		\$5,249,300
99a	Math Remediation Grants	\$0		\$0		\$0		\$0		\$0
99e	Financial Emergency District Funding	\$0		\$0		\$0		\$0		\$0
99i	Positive Behavioral Support Program	\$300,000	(\$300,000)	\$0	(\$300,000)	\$0	(\$300,000)	\$0	(\$300,000)	\$0
99j	District Pilot Projects	\$0		\$0		\$0		\$0		\$0
99k	District Grants	\$0		\$0		\$0		\$0		\$0
99p	Cultural Access Grants	\$0		\$0		\$0		\$0		\$0
104	MEAP Testing - State	\$40,194,400	(\$5,000,000)	\$35,194,400	(\$5,000,000)	\$35,194,400	(\$5,000,000)	\$35,194,400	(\$5,000,000)	\$35,194,400
104	MEAP Testing - Federal	\$3,250,000	\$5,000,000	\$8,250,000	\$5,000,000	\$8,250,000	\$5,000,000	\$8,250,000	\$5,000,000	\$8,250,000
107	Adult Education	\$22,000,000		\$22,000,000		\$22,000,000		\$22,000,000		\$22,000,000
147a	MPSERS One Time Cost Offset								\$155,000,000	\$155,000,000
147b	MPSERS Reserve for Retirement Obligation Reform								\$133,000,000	\$133,000,000
152a	Adair - Database Payment	\$25,624,500	\$8,440,000	\$34,064,500	\$8,440,000	\$34,064,500	\$8,440,000	\$34,064,500	\$8,440,000	\$34,064,500
	TOTAL APPROPRIATIONS	\$13,134,236,200	(\$960,677,100)	\$12,173,559,100	(\$908,490,000)	\$12,225,746,200	(\$733,998,200)	\$12,400,238,000	(\$475,163,300)	\$12,659,072,900
	REVENUE BY SOURCE									
	Federal Aid	\$1,677,806,400	(\$24,474,600)	\$1,653,331,800	(\$24,474,600)	\$1,653,331,800	(\$24,474,600)	\$1,653,331,800	(\$24,474,600)	\$1,653,331,800
	Federal Ed Jobs	\$316,270,300	(\$316,270,300)	\$0	(\$316,270,300)	\$0	(\$316,270,300)	\$0	(\$316,270,300)	\$0
	Federal ARRA	\$184,256,600	(\$184,256,600)	\$0	(\$184,256,600)	\$0	(\$184,256,600)	\$0	(\$184,256,600)	\$0
	School Aid Fund	\$10,937,260,500	(\$829,575,600)	\$10,107,684,900	(\$826,018,800)	\$10,111,241,700	(\$408,996,700)	\$10,528,263,800	(\$50,161,800)	\$10,887,098,700
	School Aid Stabilization Fund	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
	General Fund/General Purpose	\$18,642,400	\$393,900,000	\$412,542,400	\$442,530,300	\$461,172,700	\$200,000,000	\$218,642,400	\$100,000,000	\$118,642,400
	TOTAL REVENUE	\$13,134,236,200	(\$960,677,100)	\$12,173,559,100	(\$908,490,000)	\$12,225,746,200	(\$733,998,200)	\$12,400,238,000	(\$475,163,300)	\$12,659,072,900

**SCHOOL AID: FY 2010-11 Supplemental
Summary: Conference Report
Article I, House Bill 4325 (H-1) CR-1**



**Analysts: Mary Ann Cleary
Bethany Wicksall**

IDG/IDT	FY 2010-11 YTD as of 2/17/11	FY 2010-11 Executive	FY 2010-11 House	FY 2010-11 Senate Comm.	FY 2010-11 Conference	Difference: House From FY 2010-11 YTD	
						Amount	%
	\$0	\$0	\$0	\$0	\$0	\$0	--
Federal							
ARRA	500,526,900	500,526,900	500,526,900	500,526,900	500,526,900	0	--
Non-ARRA	1,677,806,400	1,677,806,400	1,677,806,400	1,677,806,400	1,677,806,400	0	--
Local	0	0	0	0	0	0	--
Private	0	0	0	0	0	0	--
Restricted	10,937,260,500	10,757,260,500	10,757,260,500	10,757,260,500	10,757,260,500	(180,000,000)	(1.6)
GF/GP	18,642,400	18,642,400	18,642,400	18,642,400	18,642,400	0	--
Gross	\$13,134,236,200	\$12,954,236,200	\$12,954,236,200	\$12,954,236,200	\$12,954,236,200	(\$180,000,000)	(1.4)

Note: FY 2010-11 figures reflect supplementals and Executive Order (EO) actions through February 17, 2011. House and Senate Action were in HB 4445.

Overview

The School Aid budget makes appropriations to the state's 551 local school districts, 247 public school academies, and 57 intermediate school districts (ISDs) for operations and certain categorical programs. It also appropriates funds to the Center for Education Performance and Information, Department of Energy, Labor and Economic Growth, and other entities to implement certain grants and other programs related to K-12 education.

Major Budget Changes

1. Per Pupil Reduction of \$170 (Sec. 11d)

Executive increases total appropriation in section 11 to reflect revisions in pupil estimates from the January 2011 Consensus Revenue Estimating Conference (CREC). Does not require actual appropriation change to section 11d.

House, Senate and Conference concur.

	FY 2010-11 YTD	House Change From YTD
Gross	(\$268,590,300)	\$1,775,300
Restricted	(268,590,300)	1,775,300

2. Cash Flow Borrowing Costs (Sec. 11m)

Executive decreases costs to reflect anticipated lower interest rates for short-term borrowing costs related to the State School Aid Fund.

House, Senate and Conference concur.

Gross	\$45,000,000	(\$30,000,000)
Restricted	45,000,000	(30,000,000)

3. Proposal A Obligation Payment (Sec. 22a)

Executive decreases funding by \$27.0 million to incorporate changes in estimates in taxable values and pupil estimates from January 2011 CREC.

House, Senate and Conference concur.

Gross	\$5,764,000,000	(\$27,000,000)
Restricted	5,764,000,000	(27,000,000)

4. Discretionary Payment (Sec. 22b)

Executive reduces funding by \$15.1 million to incorporate changes in estimates in taxable values and pupil estimates from the January 2011 CREC.

House, Senate and Conference concur.

Gross	\$3,757,756,600	(\$15,075,300)
Federal	184,256,600	0
Restricted	3,573,500,000	(15,075,300)

5. Special Education Payments (Sec. 51a)

Executive reduces required state payments by \$110.2 million based on updated cost estimates.

House, Senate and Conference concur.

Gross	\$1,517,583,000	(\$110,200,000)
Federal	459,700,000	0
Restricted	1,057,883,000	(110,200,000)

6. School Bus Inspections (Sec. 74)

Executive increases funding to reflect current law, which requires the Michigan State Police to conduct all safety inspections, rather than simply doing random audits of school district safety inspections.

House, Senate and Conference concur.

Gross	\$433,800	\$500,000
Restricted	433,800	500,000

SCHOOL AID LINE ITEM SUMMARY



Sec.	Foundation Allowance Increases:
11d	Per Pupil Reduction
11g	Durant - Debt Service
11j	School Bond Redemption Fund
11m	Cash Flow Borrowing Costs
11p	Federal Ed Jobs Funding
22a	Proposal A Obligation Payment
22b	Discretionary Payment - State
22b	Discretionary Payment - Federal ARRA
22d	Isolated District Funding
22e	MBT Impact on Out of Formula Districts
24	Court-Placed Pupils
24a	Juvenile Detention Facility Programs
24c	Youth Challenge Program
26a	Renaissance Zone Reimbursement
26b	PILT Reimbursement
29	Declining Enrollment Grants
31a	"At Risk" Pupil Support
31a(6)	School Based Health Centers
31a(7)	Hearing and Vision Screening
31d	State School Lunch Programs
31d	Federal School Lunch Programs
31f	School Breakfast Program
32b	ECIC Collaborative Grants
32d	Great Start School Readiness - District Grants
32d	Great Start School Readiness - Competitive
32j	Great Parents Great Start ISD Grants
39a1	Federal "No Child Left Behind"
39a2	Other Federal Funding
41	Bilingual Education Grants
51a	Special Education - Federal
51a(2)	Special Ed ISD Foundation and Costs
51a(3)	Special Ed ISD Hold Harmless Payment
51a(6)	Special Ed Admin Rules Changes
51a(8)	Special Ed ISD Center FICA
51a(12)	Special Ed Foundations for Non Sec. 52 to ISDs
51c	Special Ed Headlee Obligation (Durant)
53a	Special Ed for Court Placed Pupils
54	Special Ed Michigan School Blind/Deaf
56	Special Ed ISD Millage Equalization
61a	Vocational-Technical Education Programs
62	ISD Vocational Education Millage Equalization
64	Middle College Program
65	Precollege Engineering and Science Programs
74	Bus Driver Safety Instruction
74	School Bus Inspections
81	ISD General Operations Support
92	Postsecondary Agriculture Education Program
93	State Aid to Libraries for MEL/Cat Support
94a	Center for Educational Performance
94a	Center for Educational Performance - Federal
98	Michigan Virtual School
98	Michigan Virtual School - Federal
99	Math and Science Centers - State
99	Math and Science Centers - Federal
99i	Positive Behavioral Support Program
104	MEAP Testing - State
104	MEAP Testing - Federal
107	Adult Education
152a	Adair - Database Payment
TOTAL APPROPRIATIONS	

FY 2010-11		
PA 217 of 2010 YTD	Recommended Changes (HB 4445)	Revised Total
(\$268,590,300)	\$1,775,300	(\$266,815,000)
\$39,000,000		\$39,000,000
\$5,167,800		\$5,167,800
\$45,000,000	(\$30,000,000)	\$15,000,000
\$316,270,300		\$316,270,300
\$5,764,000,000	(\$27,000,000)	\$5,737,000,000
\$3,573,500,000	(\$15,075,300)	\$3,558,424,700
\$184,256,600		\$184,256,600
\$2,025,000		\$2,025,000
\$1,800,000		\$1,800,000
\$8,000,000		\$8,000,000
\$1,440,000		\$1,440,000
\$742,300		\$742,300
\$26,300,000		\$26,300,000
\$3,400,000		\$3,400,000
\$20,000,000		\$20,000,000
\$308,988,200		\$308,988,200
\$3,557,300		\$3,557,300
\$5,150,000		\$5,150,000
\$22,495,100		\$22,495,100
\$402,506,000		\$402,506,000
\$9,625,000		\$9,625,000
\$6,000,000		\$6,000,000
\$89,700,000		\$89,700,000
\$8,875,000		\$8,875,000
\$5,000,000		\$5,000,000
\$761,973,600		\$761,973,600
\$32,359,700		\$32,359,700
\$2,800,000		\$2,800,000
\$459,700,000		\$459,700,000
\$248,200,000	(\$11,900,000)	\$236,300,000
\$1,400,000		\$1,400,000
\$2,200,000		\$2,200,000
\$15,313,900		\$15,313,900
\$6,600,000	(\$1,600,000)	\$5,000,000
\$732,100,000	(\$96,700,000)	\$635,400,000
\$13,500,000		\$13,500,000
\$1,688,000		\$1,688,000
\$36,881,100		\$36,881,100
\$26,611,300		\$26,611,300
\$9,000,000		\$9,000,000
\$2,000,000		\$2,000,000
\$905,100		\$905,100
\$1,625,000		\$1,625,000
\$433,800	\$500,000	\$933,800
\$65,376,800		\$65,376,800
\$300,000		\$300,000
\$1,500,000		\$1,500,000
\$13,861,100		\$13,861,100
\$10,067,800		\$10,067,800
\$1,687,500		\$1,687,500
\$2,700,000		\$2,700,000
\$2,625,000		\$2,625,000
\$5,249,300		\$5,249,300
\$300,000		\$300,000
\$40,194,400		\$40,194,400
\$3,250,000		\$3,250,000
\$22,000,000		\$22,000,000
\$25,624,500		\$25,624,500
\$13,134,236,200	(\$180,000,000)	\$12,954,236,200

REVENUE BY SOURCE	
Federal Aid	
Federal Ed Jobs	
Federal ARRA	
School Aid Fund	
General Fund/General Purpose	
TOTAL REVENUE	

\$1,677,806,400	\$0	\$1,677,806,400
\$316,270,300	\$0	\$316,270,300
\$184,256,600	\$0	\$184,256,600
\$10,937,260,500	(\$180,000,000)	\$10,757,260,500
\$18,642,400	\$0	\$18,642,400
\$13,134,236,200	(\$180,000,000)	\$12,954,236,200

COMMUNITY COLLEGES: FY 2011-12
Summary: Conference Report
Article II, House Bill 4325 (H-1) CR-1



Analyst: Mark Wolf

	FY 2010-11 YTD as of 2/17/10	FY 2011-12 Executive	FY 2011-12 Senate	FY 2011-12 House	FY 2011-12 Conference	Difference: Conference From FY 2010-11 YTD	
						Amount	%
IDG/IDT	\$0	\$0	\$0	\$0	\$0	\$0	-
Federal	0	0	0	0	0	0	-
Local	0	0	0	0	0	0	-
Private	0	0	0	0	0	0	-
Restricted	0	195,880,500	195,880,500	195,880,500	195,880,500	195,880,500	-
GF/GP	295,880,500	100,000,000	90,000,000	56,116,300	88,000,000	(207,880,500)	(70.3)
Gross	\$295,880,500	\$295,880,500	\$285,880,500	\$251,996,800	\$283,880,500	(\$12,000,000)	(4.1)
FTEs	0.0	0.0	0.0	0.0	0.0	0.0	0.0

Note: FY 2010-11 appropriation figures include the results of supplementals, Executive Order (EO) actions, and transfer adjustments through February 17, 2011.

Overview

The Community Colleges budget supports the 28 community colleges located throughout the state. The colleges are governed by locally-elected board of trustees. The colleges are funded through a combination of state aid, local property tax revenue, tuition and fees revenue, and other sources of revenue, with state aid comprising about 19% of total community college general fund operating revenue, with the revenue mix varying among the colleges.

Major Budget Changes From FY 2010-11 YTD Appropriations

1. Operations Grants

The Conference Committee reduces funding for community colleges operations by 4.1% overall (\$12.0 million). Half of the reduction is taken across-the-board, with the other half taken using the 2006 performance indicator funding formula. To use this formula to take a cut, the conference committee reduces funding by \$12.0 million and then adds back \$6.0 million using the funding formula. The Conference Committee also re-calculates and rolls At Risk payments (\$3.3 million) into the 28 operations lines. Excluding At-Risk payments, operations grants to the community colleges are reduced between

	FY 2010-11 Year-to-Date (as of 2/17/11)	Conference Change from Year-to-Date
Gross	\$292,557,800	(\$8,677,300)
Restricted	0	195,880,500
GF/GP	\$292,557,800	(\$204,557,800)

The House reduces funding for community college operations by 15% (\$43.9 million GF/GP), and re-calculates and rolls At Risk payments into the 28 operations lines.

The Senate reduces funding for community college operations by 3.5% (\$10.0 million GF/GP) overall. The Senate reduces funding using the 2006 performance indicators funding formula, by taking a \$20.0 million across-the-board reduction, and adding back \$10.0 million - for a net reduction of \$10.0 million - using the funding formula.

The Executive recommended that funding for community college operations remain unchanged. Each community college would receive the same amount for funding for operations (\$292.6 million) as it did in FY 2011. Operations funding has not changed since FY 2009. The Executive recommended that the community colleges budget be incorporated into the school aid act - renamed the State Education Funding Act - with the colleges now receiving the majority of their state aid funded through the School Aid Fund.

<u>Major Budget Changes From FY 2010-11 YTD Appropriations</u>		<u>FY 2010-11 Year-to-Date (as of 2/17/11)</u>	<u>Conference Change from Year-to-Date</u>
2. At Risk Student Success Program	Gross	\$3,322,700	(\$3,322,700)
The <u>Conference Committee</u> eliminates the At Risk student success line item (developmental education services) and related boilerplate sections distributing funding to the colleges. The distribution of program funds are re-calculated based on newer ACS data (reported in February 2011) compared to the initial Executive calculations utilizing December 2010 data. The revised distribution is then rolled into the individual operations lines. Per boilerplate, the distribution of program funds is based on a base grant of \$40,000 to each college with the remaining balance distributed based on the share of student contact hours in developmental education programs compared to total student contact hours. The conference committee concurs with the <u>House</u> and <u>Senate</u> on this change.	GF/GP	\$3,322,700	(\$3,322,700)

The Executive recommended that funding for the At Risk program remain unchanged. This funding (\$3.3 million) has not changed since FY 2004. The Executive revised the distribution, per the boilerplate formula, based on data available as of December 2010.

Major Boilerplate Changes From FY 2010-11

Note: Under the Executive Budget, House-passed Budget, and conference report for House Bill 4325, boilerplate sections are renumbered as section of the School Aid Act. Section numbers are both the traditional budget bill format and the proposed School Aid Act format are listed below where applicable.

Sec. 201a. FY 2012-13 Appropriations – NEW

Intent language that funding for FY 2013 be the same as funding for FY 2012, adjusted for caseloads, available federal funds, economic factors, and available revenue.

Sec. 202/Sec. 202. Management and Budget Act – RETAINED

Subjects funds appropriated to the Management and Budget Act. The Executive deletes this section; the House retains it; the Senate retains it; the Conference Committee retains it.

Sec. 203/Sec. 203. Internet Reporting – RETAINED

Requires colleges and Department of Energy, Labor and Economic Growth (DELEG) to use the Internet to submit reports. The Executive deletes this section; the House retains it; the Senate deletes it; the Conference Committee retains it.

Sec. 209/Sec. 204. Foreign Goods and Services – RETAINED

Prohibits the use of funds to purchase foreign goods or services if American products that are competitively priced and of similar quality are available; states preference for Michigan goods and services; states preference for goods and services provided by Michigan businesses owned and operated by veterans. The Executive deletes this section; the House retains it the Senate retains it; the Conference Committee retains it.

Sec. 210/Sec. 205. Deprived and Depressed Communities – RETAINED

Encourages colleges to ensure businesses in economically distressed areas compete for and perform contracts. The Executive deletes this section; the House retains it the Senate retains it; the Conference Committee retains it.

Sec. 211/Sec. 206. Payment of Appropriations – REVISED

Provides for 11 payments per year to community colleges; directs Department of Treasury to withhold appropriation if the colleges fail to submit Activities Classification Structure (ACS) data. The Executive, House, Senate, and Conference Committee delete language allowing funds to be expended to match career and technical education programs under the federal Perkins Act.

Sec. 216/Sec. 207. Retirement Contributions – RETAINED

Requires colleges to contribute to the Michigan Public School Employees' Retirement System.

Sec. 217/Sec. 208. Capital Outlay Funding – REVISED

Prohibits colleges from using state funds for construction or maintenance of a self-liquidating project; requires colleges to comply with Joint Capital Outlay Subcommittee use and finance policy for any capital outlay projects. The Executive deletes language requiring the colleges to comply with the use and finance requirements of the Joint Capital Outlay Subcommittee. The House retains the requirement to comply with JCOS use and finance reporting requirements, and adds a provision stating that failure to comply with JCOS requirements could result in future capital outlay projects not being considered by JCOS. The Senate and Conference Committee retains the requirement that colleges comply with JCOS use and finance reporting requirements, and adds a provision stating that the failure to comply with JCOS requirements subjects the college to a penalty equal to 1% of the operations funding for each violation.

Major Boilerplate Changes From FY 2010-11

Sec. 218/Sec. 209. *Transparency Website* – NEW

Requires the colleges to post general fund expenditures on its website. Expenditure information would be broken down by various program areas (academic units, administrative units, and other initiatives) and include information on employee salaries and benefits, facility and equipment costs, and fund transfers. The website would also have to include a listing of each employee funded by the college's general fund. Included in this listing would be the employee's name, position, and salary. The website would not include any information that would violate federal or state privacy or security standards. Also required the colleges to report projected FY 2012 budget information to the Legislature and State Budget Office and post that information on its website.

Sec. 210. *Block Transfer* – NEW

Establishes a 24-member committee made up of representatives from community colleges, universities, and legislators to develop a process to improve the transferability of core college courses between community colleges and universities, including development equivalency standards and identifying equivalent courses offered by the institutions. The House and Conference Committee add this section.

Sec. 224/Sec. 210a. *Collaboration with Universities* – RETAINED

Encourages colleges to collaborate with four-year universities and local employers. The Executive and House delete this section; the Senate and Conference Committee retain it.

Sec. 234/Sec. 211. *Equal Opportunities* – RETAINED

Encourages colleges to promote equal opportunities and foster a diverse student body and administration. The Executive deletes this section; the House, Senate, and Conference Committee retain it.

Sec. 241. *Nursing Education Programs and Grants* – DELETED

General policy statement encouraging community colleges to expand nursing program offerings and enrollments. The Executive, House, Senate, and Conference Committee delete this section.

Sec. 242. *Payments in Lieu of Taxes* – DELETED

States legislative intent that discussion regarding payments in lieu of taxes concerning community colleges be continued. The Executive, House, Senate, and Conference Committee delete this section.

Sec. 247/Sec. 227. *Community College Automobile Purchases* – RETAINED

Requires community colleges to purchase automobiles made in the state of Michigan or elsewhere in the U.S, if competitively priced and of comparable quality. The Executive and House delete this section; the Senate and Conference Committee retain it.

Sec. 249/Sec. 212. *Cost Containment Initiatives* – RETAINED

Encourages colleges to evaluate and pursue efficiency and cost-containment measures, including joint ventures, consolidating services, program collaboration, increasing web-based instruction, improving energy efficiency, eliminating low-volume/high-cost instructional programs, self-insurance, and group purchasing. The Executive deletes this section; the House, Senate, and Conference Committee retain this section.

Sec. 228. *Communication with Legislature* – NEW

Provides that community colleges shall not take disciplinary action against employees for communicating with members and staff of the Legislature.

Sec. 213. *Reverse Transfer* – NEW

Intent language directing the community colleges to work with public universities to increase the number of awards conferred by community college students who earn credits for course work taken at universities by providing for the "reverse transfer" of credits from the university to the community college. The House and Conference Committee include this section.

Sec. 214. *Remedial Education Assessment Cut Score* – NEW

Establishes a 12-member committee of community college representatives, K-12 education representatives, and lawmakers to develop a common set of "cut scores" to be utilized by the colleges to determine the place of recent high school graduates in remedial education courses at the colleges. The House and Conference Committee include this section.

Sec. 216. *Review of Statutory Mandates* – NEW

Intent language providing for the review of statutory mandates imposed on the colleges, including reviewing the costs and necessity of the mandates. The House and Conference Committee include this section.

Sec. 229. *Veterans Notice on Applications* – NEW

Intent language that community colleges include a place on the admissions application allowing applicants to indicate whether they are a veterans or the spouse of a veteran eligible for educational assistance benefits under the federal Post-911 Veterans Educational Assistance Act of 2008.

Sec. 301/Sec. 217. *Manual for Uniform Financial Reporting (MUFR)* – RETAINED

Requires that all data submitted by the colleges to determine state aid comply with MUFR published by the Workforce Development Agency. The Executive, House, Senate, and Conference Committee retain this section.

Major Boilerplate Changes From FY 2010-11

Sec. 302/Sec. 218. Prisoner Credit Hours – RETAINED

Excludes credit/contact hours for students incarcerated in Michigan correctional institutions from enrollment data submitted by colleges. The Executive, House, Senate, and Conference Committee retain this section.

Sec. 304/Sec. 230. Performance Indicator Formula – DELETED

States intent that formula developed by performance indicator task force be used for funding distribution in future years. The Executive, House, Senate, and Conference Committee retain this section

Sec. 401. At-Risk Student Success Program – DELETED

Specifies distribution of at-risk student success grant money. The Executive revises the distribution of At-Risk payments based on updated student contact hour data. The Executive re-allocates the funding distribution based on newer data (as of December 2010). The House, Senate, and Conference Committee delete this section and build funding for the program into the operations grants.

Sec. 405/Sec. 219. Recovery Act P-20 Data System – REVISED

Provides that colleges shall comply with the provisions in the American Recovery and Reinvestment Act concerning the establishment of a statewide P-20 longitudinal data system. The House, Senate, and Conference Committee re-word this section.

Sec. 502/Sec. 220. Performance Audits – RETAINED

Provides for performance audits by the auditor general and responses to audits by colleges. The Executive, House, Senate, and Conference Committee retain this section.

Sec. 504/Sec. 221. Record Retention – RETAINED

Requires colleges to retain class summaries, class lists, registration documents, student transcripts, and other specified information for audit purposes. The Executive, House, Senate, and Conference Committee retain this section

Sec. 505/Sec/ 222. Financial Statements – RETAINED

Requires colleges to submit audited financial statements to various state agencies. The Executive, House, Senate, and Conference Committee retain this section

Sec. 506/Sec. 223. North American Indian Tuition Waiver – REVISED

Requires report on number of tuition waivers granted to North American Indian students at each college. The House and Conference delete a provision stating that colleges shall use the criteria in 1976 PA 174 to determine eligibility for the tuition waiver.

Sec. 507/Sec. 224. Aggregate Academic Status – RETAINED

Requires that colleges, upon request, inform high schools of the aggregate academic status of their students The Executive, House, Senate, and Conference Committee retain this section.

Sec. 508/Sec. 225. Tuition Rate Reports – RETAINED

Requires colleges to report tuition/fee rates and tuition/fee rates revisions to various state agencies. The Executive, House, Senate, and Conference Committee retain this section.

Sec. 509/Sec. 226. Degrees Awarded by Colleges – RETAINED

Requires colleges to report to DELEG the numbers and types of associate degrees and other certificates awarded by each college. The Executive, House, Senate, and Conference Committee retain this section.

Sec. 510. Crime Statistics – DELETED

Requires colleges to make materials prepared in accordance with federal crime and campus security reporting requirements available through the Internet. The Executive, House, Senate, and Conference Committee delete this section.

Sec. 296. School Aid Funding Proration – NEW

Provides for community college appropriation amounts funded from the School Aid Fund revenue to be reduced (along with K-12 and Higher Education appropriations) if total School Aid Fund appropriations are greater than the revenue available in the fund. The Executive, House, Senate, and Conference Committee include substantially similar language.

FY 2011-2012 Community Colleges Appropriation

Article II, House Bill 4325 (H-1) CR-1 Conference Committee Report

	FY 2011 Ops	-\$6M ATB	Formula Cut	Total Cut	At Risk	Operations	Percent
Alpena	\$5,126,100	(\$105,100)	(\$115,700)	(\$220,800)	\$79,000	\$4,984,300	-4.3%
Bay de Noc	\$5,178,400	(\$106,200)	(\$120,200)	(\$226,400)	\$88,200	\$5,040,200	-4.4%
Delta	\$13,751,600	(\$282,000)	(\$242,900)	(\$524,900)	\$109,500	\$13,336,200	-3.8%
Glen Oaks	\$2,304,800	(\$47,300)	(\$38,600)	(\$85,900)	\$102,000	\$2,320,900	-3.7%
Gogebic	\$4,275,200	(\$87,700)	(\$101,700)	(\$189,400)	\$54,700	\$4,140,500	-4.4%
Grand Rapids	\$17,219,800	(\$353,200)	(\$356,600)	(\$709,800)	\$139,700	\$16,649,700	-4.1%
Henry Ford	\$20,898,900	(\$428,600)	(\$502,500)	(\$931,100)	\$177,200	\$20,145,000	-4.5%
Jackson	\$11,542,300	(\$236,700)	(\$245,700)	(\$482,400)	\$159,800	\$11,219,700	-4.2%
Kalamazoo	\$11,888,600	(\$243,800)	(\$211,100)	(\$454,900)	\$89,000	\$11,522,700	-3.8%
Kellogg	\$9,311,800	(\$191,000)	(\$203,700)	(\$394,700)	\$130,800	\$9,047,900	-4.2%
Kirtland	\$2,842,800	(\$58,300)	(\$37,800)	(\$96,100)	\$126,200	\$2,872,900	-3.4%
Lake Michigan	\$5,012,100	(\$102,800)	(\$118,600)	(\$221,400)	\$147,000	\$4,937,700	-4.4%
Lansing	\$29,762,500	(\$610,400)	(\$642,100)	(\$1,252,500)	\$141,900	\$28,651,900	-4.2%
Macomb	\$31,773,900	(\$651,600)	(\$713,300)	(\$1,364,900)	\$81,300	\$30,490,300	-4.3%
Mid Michigan	\$4,289,200	(\$88,000)	(\$58,100)	(\$146,100)	\$123,700	\$4,266,800	-3.4%
Monroe	\$4,142,800	(\$85,000)	(\$64,700)	(\$149,700)	\$100,900	\$4,094,000	-3.6%
Montcalm	\$2,981,600	(\$61,100)	(\$40,400)	(\$101,500)	\$66,700	\$2,946,800	-3.4%
Mott	\$15,016,400	(\$308,000)	(\$324,800)	(\$632,800)	\$142,800	\$14,526,400	-4.2%
Muskegon	\$8,518,600	(\$174,700)	(\$183,800)	(\$358,500)	\$96,600	\$8,256,700	-4.2%
North Central	\$2,893,600	(\$59,300)	(\$48,300)	(\$107,600)	\$100,500	\$2,886,500	-3.7%
Northwestern	\$8,682,000	(\$178,100)	(\$203,800)	(\$381,900)	\$130,200	\$8,430,300	-4.4%
Oakland	\$20,133,700	(\$412,900)	(\$410,200)	(\$823,100)	\$145,300	\$19,455,900	-4.1%
St. Clair	\$6,729,800	(\$138,000)	(\$148,900)	(\$286,900)	\$91,200	\$6,534,100	-4.3%
Schoolcraft	\$11,767,000	(\$241,300)	(\$166,400)	(\$407,700)	\$118,000	\$11,477,300	-3.5%
Southwestern	\$6,276,900	(\$128,700)	(\$161,100)	(\$289,800)	\$156,600	\$6,143,700	-4.6%
Washtenaw	\$12,149,000	(\$249,200)	(\$181,900)	(\$431,100)	\$109,400	\$11,827,300	-3.5%
Wayne County	\$15,889,900	(\$325,900)	(\$316,300)	(\$642,200)	\$178,200	\$15,425,900	-4.0%
West Shore	\$2,198,500	(\$45,100)	(\$40,800)	(\$85,900)	\$136,300	\$2,248,900	-3.9%
Total	\$292,557,800	(\$6,000,000)	(\$6,000,000)	(\$12,000,000)	\$3,322,700	\$283,880,500	-4.1%

FY 2011-2012 Community Colleges Appropriation

**Article II, House Bill 4325 (H-1) CR-1
Conference Committee Report**

	FY 2011 Year-to-Date			FY 2012 Executive			FY 2012 House			FY 2012 Senate			FY 2012 Conference		
	Operations	At Risk	Total	Operations	At Risk	Total	Operations	At Risk	Total	Operations	At Risk	Total	Operations	At Risk	Total
Alpena	\$5,126,100	\$82,100	\$5,208,200	\$5,126,100	\$79,500	\$5,205,600	\$4,436,200	\$0	\$4,436,200	\$5,012,200	\$0	\$5,012,200	\$4,984,300	\$0	\$4,984,300
Bay de Noc	\$5,178,400	\$77,900	\$5,256,300	\$5,178,400	\$89,600	\$5,268,000	\$4,489,800	\$0	\$4,489,800	\$5,066,400	\$0	\$5,066,400	\$5,040,200	\$0	\$5,040,200
Delta	\$13,751,600	\$108,000	\$13,859,600	\$13,751,600	\$106,600	\$13,858,200	\$11,798,400	\$0	\$11,798,400	\$13,456,200	\$0	\$13,456,200	\$13,336,200	\$0	\$13,336,200
Glen Oaks	\$2,304,800	\$106,600	\$2,411,400	\$2,304,800	\$100,100	\$2,404,900	\$2,061,100	\$0	\$2,061,100	\$2,342,500	\$0	\$2,342,500	\$2,320,900	\$0	\$2,320,900
Gogebic	\$4,275,200	\$54,900	\$4,330,100	\$4,275,200	\$55,300	\$4,330,500	\$3,688,600	\$0	\$3,688,600	\$4,160,700	\$0	\$4,160,700	\$4,140,500	\$0	\$4,140,500
Grand Rapids	\$17,219,800	\$135,500	\$17,355,300	\$17,219,800	\$136,000	\$17,355,800	\$14,776,500	\$0	\$14,776,500	\$16,765,200	\$0	\$16,765,200	\$16,649,700	\$0	\$16,649,700
Henry Ford	\$20,898,900	\$169,600	\$21,068,500	\$20,898,900	\$186,200	\$21,085,100	\$17,941,300	\$0	\$17,941,300	\$20,238,400	\$0	\$20,238,400	\$20,145,000	\$0	\$20,145,000
Jackson	\$11,542,300	\$146,800	\$11,689,100	\$11,542,300	\$162,100	\$11,704,400	\$9,970,800	\$0	\$9,970,800	\$11,292,400	\$0	\$11,292,400	\$11,219,700	\$0	\$11,219,700
Kalamazoo	\$11,888,600	\$90,600	\$11,979,200	\$11,888,600	\$87,800	\$11,976,400	\$10,194,300	\$0	\$10,194,300	\$11,625,800	\$0	\$11,625,800	\$11,522,700	\$0	\$11,522,700
Kellogg	\$9,311,800	\$138,400	\$9,450,200	\$9,311,800	\$131,000	\$9,442,800	\$8,045,800	\$0	\$8,045,800	\$9,103,000	\$0	\$9,103,000	\$9,047,900	\$0	\$9,047,900
Kirtland	\$2,842,800	\$124,300	\$2,967,100	\$2,842,800	\$123,600	\$2,966,400	\$2,542,600	\$0	\$2,542,600	\$2,906,000	\$0	\$2,906,000	\$2,872,900	\$0	\$2,872,900
Lake Michigan	\$5,012,100	\$147,200	\$5,159,300	\$5,012,100	\$145,200	\$5,157,300	\$4,407,300	\$0	\$4,407,300	\$4,961,600	\$0	\$4,961,600	\$4,937,700	\$0	\$4,937,700
Lansing	\$29,762,500	\$147,800	\$29,910,300	\$29,762,500	\$141,600	\$29,904,100	\$25,440,000	\$0	\$25,440,000	\$28,834,300	\$0	\$28,834,300	\$28,651,900	\$0	\$28,651,900
Macomb	\$31,773,900	\$83,100	\$31,857,000	\$31,773,900	\$79,500	\$31,853,400	\$27,089,000	\$0	\$27,089,000	\$30,666,400	\$0	\$30,666,400	\$30,490,300	\$0	\$30,490,300
Mid Michigan	\$4,289,200	\$126,100	\$4,415,300	\$4,289,200	\$128,500	\$4,417,700	\$3,769,500	\$0	\$3,769,500	\$4,316,100	\$0	\$4,316,100	\$4,266,800	\$0	\$4,266,800
Monroe	\$4,142,800	\$102,100	\$4,244,900	\$4,142,800	\$98,700	\$4,241,500	\$3,622,300	\$0	\$3,622,300	\$4,136,000	\$0	\$4,136,000	\$4,094,000	\$0	\$4,094,000
Montcalm	\$2,981,600	\$73,200	\$3,054,800	\$2,981,600	\$66,100	\$3,047,700	\$2,601,100	\$0	\$2,601,100	\$2,980,600	\$0	\$2,980,600	\$2,946,800	\$0	\$2,946,800
Mott	\$15,016,400	\$127,700	\$15,144,100	\$15,016,400	\$138,700	\$15,155,100	\$12,906,700	\$0	\$12,906,700	\$14,617,900	\$0	\$14,617,900	\$14,526,400	\$0	\$14,526,400
Muskegon	\$8,518,600	\$87,600	\$8,606,200	\$8,518,600	\$96,100	\$8,614,700	\$7,337,400	\$0	\$7,337,400	\$8,308,700	\$0	\$8,308,700	\$8,256,700	\$0	\$8,256,700
North Central	\$2,893,600	\$103,800	\$2,997,400	\$2,893,600	\$104,000	\$2,997,600	\$2,560,100	\$0	\$2,560,100	\$2,913,600	\$0	\$2,913,600	\$2,886,500	\$0	\$2,886,500
Northwestern	\$8,682,000	\$127,200	\$8,809,200	\$8,682,000	\$134,300	\$8,816,300	\$7,509,900	\$0	\$7,509,900	\$8,472,800	\$0	\$8,472,800	\$8,430,300	\$0	\$8,430,300
Oakland	\$20,133,700	\$147,900	\$20,281,600	\$20,133,700	\$141,900	\$20,275,600	\$17,258,900	\$0	\$17,258,900	\$19,595,200	\$0	\$19,595,200	\$19,455,900	\$0	\$19,455,900
St. Clair	\$6,729,800	\$104,500	\$6,834,300	\$6,729,800	\$88,800	\$6,818,600	\$5,811,500	\$0	\$5,811,500	\$6,572,800	\$0	\$6,572,800	\$6,534,100	\$0	\$6,534,100
Schoolcraft	\$11,767,000	\$124,300	\$11,891,300	\$11,767,000	\$121,500	\$11,888,500	\$10,120,000	\$0	\$10,120,000	\$11,607,500	\$0	\$11,607,500	\$11,477,300	\$0	\$11,477,300
Southwestern	\$6,276,900	\$156,000	\$6,432,900	\$6,276,900	\$162,600	\$6,439,500	\$5,492,000	\$0	\$5,492,000	\$6,164,900	\$0	\$6,164,900	\$6,143,700	\$0	\$6,143,700
Washtenaw	\$12,149,000	\$117,500	\$12,266,500	\$12,149,000	\$109,700	\$12,258,700	\$10,436,100	\$0	\$10,436,100	\$11,955,300	\$0	\$11,955,300	\$11,827,300	\$0	\$11,827,300
Wayne County	\$15,889,900	\$166,600	\$16,056,500	\$15,889,900	\$172,500	\$16,062,400	\$13,684,600	\$0	\$13,684,600	\$15,541,000	\$0	\$15,541,000	\$15,425,900	\$0	\$15,425,900
West Shore	\$2,198,500	\$145,400	\$2,343,900	\$2,198,500	\$135,200	\$2,333,700	\$2,005,000	\$0	\$2,005,000	\$2,267,000	\$0	\$2,267,000	\$2,248,900	\$0	\$2,248,900
Total	\$292,557,800	\$3,322,700	\$295,880,500	\$292,557,800	\$3,322,700	\$295,880,500	\$251,996,800	\$0	\$251,996,800	\$285,880,500	\$0	\$285,880,500	\$283,880,500	\$0	\$283,880,500
Funding Sources															
School Aid Fund	\$0	\$0	\$0	\$195,880,500	\$0	\$195,880,500	\$195,880,500	\$0	\$195,880,500	\$195,880,500	\$0	\$195,880,500	\$195,880,500	\$0	\$195,880,500
GF/GP	\$292,557,800	\$3,322,700	\$295,880,500	\$96,677,300	\$3,322,700	\$100,000,000	\$56,116,300	\$0	\$56,116,300	\$90,000,000	\$0	\$90,000,000	\$88,000,000	\$0	\$88,000,000
Gross Appropriation	\$292,557,800	\$3,322,700	\$295,880,500	\$292,557,800	\$3,322,700	\$295,880,500	\$251,996,800	\$0	\$251,996,800	\$285,880,500	\$0	\$285,880,500	\$283,880,500	\$0	\$283,880,500

**HIGHER EDUCATION: FY 2011-12
Summary: Conference Report
Article III, House Bill 4325 (H-1) CR-1**



Analyst: Kyle I. Jen

	FY 2010-11 YTD as of 2/17/10	FY 2011-12 Executive	FY 2011-12 Senate	FY 2011-12 House	FY 2011-12 Conference	Difference: Conference From FY 2010-11 YTD	
						Amount	%
IDG/IDT	\$0	\$0	\$0	\$0	\$0	\$0	--
Federal	4,500,000	98,326,400	98,326,400	98,326,400	98,326,400	93,826,400	2,085.0
Local	0	0	0	0	0	0	--
Private	0	0	0	0	0	0	--
Restricted	30,400,000	699,919,500	200,200,000	699,919,500	200,219,500	169,819,500	558.6
GF/GP	1,543,378,500	564,032,500	1,063,752,000	564,032,500	1,063,732,500	(479,646,000)	(31.1)
Gross	\$1,578,278,500	\$1,362,278,400	\$1,362,278,400	\$1,362,278,400	\$1,362,278,400	(\$216,000,100)	(13.7)
FTEs	1.0	1.0	1.0	0.0	0.0	(1.0)	(100.0)

Notes: (1) FY 2010-11 appropriation figures include the results of supplementals, Executive Order (EO) actions, and transfer adjustments through February 17, 2011.
(2) Figures do not reflect \$1.9 million GF/GP in one-time boilerplate appropriations contained in Sec. 294 of conference report (which was Sec. 1001 of Senate Bill 178 conference report).

Overview

The Higher Education budget contains funding for operational support of the state's 15 public universities, the Agricultural Experiment Station and Cooperative Extension Service operated by Michigan State University, various financial aid programs for students attending public and independent colleges and universities in the state, and several other smaller higher education-related programs.

Major Budget Changes From FY 2010-11 YTD Appropriations

1. University Operations

Executive (1) reduces each university's appropriation by 15.0%, for a total reduction of \$213.1 million GF/GP, (2) from remaining appropriations, sets aside a total of \$83.0 million in tuition restraint incentive funding (ranging from 5.1% to 9.8% of university appropriation amounts) that would be paid only if a university held its FY 2011-12 resident undergraduate tuition/fee rate increase below the prior-five-year state average of 7.1%, and (3) replaces \$699.7 million in GF/GP funds with School Aid Fund revenue.

	FY 2010-11 Year-to-Date (as of 2/17/11)	Conference Change from Year-to-Date
Gross	\$1,420,344,900	(\$213,110,200)
Restricted	0	200,019,500
GF/GP	\$1,420,344,900	(\$413,129,700)

Senate concurs with 15.0% across-the-board reduction, but does not set aside separate amounts for tuition restraint incentive funding and utilizes only \$200.0 million in School Aid Fund revenue, replacing difference of \$499.7 million from Executive with GF/GP funds.

House concurs with overall reduction in university operations funding, but applies only a 14.0% across-the-board reduction. Remaining 1.0% reduction is applied based on a sliding scale formula, with larger reductions for universities receiving a higher amount of state funding per student and two universities receiving partial offsets. House concurs with Executive tuition restraint methodology and use of \$699.7 million in School Aid Fund revenue.

Conference concurs with Executive/Senate across-the-board reduction, includes tuition restraint set-asides, and utilizes \$200.0 million in School Aid Fund revenue.

2. Agricultural Experiment Station and Cooperative Extension Service

Executive combines two existing appropriations into a single appropriation for Agricultural Experiment and Cooperative Extension Activities, with a 15.0% reduction in total funding (\$9.3 million GF/GP). Proposed FY 2011-12 funding of \$52.6 million. Senate, House, and Conference concur.

Gross	\$61,915,700	(\$9,289,900)
GF/GP	\$61,915,700	(\$9,289,900)

<u>Major Budget Changes From FY 2010-11 YTD Appropriations</u>		<u>FY 2010-11 Year-to-Date (as of 2/17/11)</u>	<u>Conference Change from Year-to-Date</u>
3. State Competitive Scholarship Program	Gross	\$19,861,700	\$0
<u>Executive</u> combines funding for existing State Competitive Scholarship and Tuition Grant programs into new appropriation of \$51.5 million for a proposed need-based Pathway to Higher Education Program. <u>Senate</u> , <u>House</u> , and <u>Conference</u> retain separate appropriation for State Competitive Scholarship program, funded at current FY 2010-11 level of \$19.9 million. State Competitive Scholarship Program is open to students at both public and private colleges/universities and requires both a qualifying ACT score and demonstrated financial need.	Federal	1,500,000	18,361,700
	GF/GP	\$18,361,700	(\$18,361,700)
<u>Executive</u> , <u>Senate</u> , <u>House</u> , and <u>Conference</u> replace state-level funding for major state financial aid programs with federal TANF funding in order to improve the state's ability to meet federal TANF maintenance-of-effort (MOE) requirements. Offsetting adjustments are proposed in the Human Services budget.			
4. Tuition Grant Program	Gross	\$31,664,700	\$0
<u>Executive</u> combines funding for existing State Competitive Scholarship and Tuition Grant programs into new appropriation of \$51.5 million for a proposed need-based Pathway to Higher Education Program. <u>Senate</u> , <u>House</u> , and <u>Conference</u> retain separate appropriation for Tuition Grant program, funded at current FY 2010-11 level of \$31.7 million. Tuition Grant Program is a need-based financial aid program restricted to students at independent colleges and universities. (See final paragraph under item 3 above regarding TANF fund shift.)	Federal	0	31,664,700
	GF/GP	\$31,664,700	(\$31,664,700)
5. Tuition Incentive Program (TIP)	Gross	\$37,400,000	\$6,400,000
<u>Executive</u> increases funding for TIP by \$6.4 million for FY 2011-12 (17.1%) to fund projected increase in program participation and costs. TIP pays associate's degree tuition/fee costs for Medicaid-eligible middle- and high-school students who go on to graduate from high school and enroll in college. <u>Senate</u> , <u>House</u> , and <u>Conference</u> concur. (See final paragraph under item 3 above regarding TANF fund shift.)	Federal	0	43,800,000
	Restricted	30,100,000	(30,100,000)
	GF/GP	\$7,300,000	(\$7,300,000)
6. Children of Veterans and Officer's Survivor Tuition Programs	Gross	\$1,200,000	\$0
<u>Executive</u> replaces \$100,000 in state restricted funding with GF/GP funding to reflect that collections from the state income tax form check-off box for the Children of Veterans Tuition Program have been below the currently-appropriated amount of \$300,000. <u>Senate</u> , <u>House</u> , and <u>Conference</u> concur.	Restricted	300,000	(100,000)
	GF/GP	\$900,000	\$100,000
7. Other Higher Education Programs	FTE	1.0	(1.0)
<u>Executive</u> maintains appropriations for King-Chavez-Parks grant programs, Robert C. Byrd Honors Scholarship (federal), Project GEAR UP (federal), Higher Education database costs, and Midwest Higher Education Compact dues at current-year levels. <u>Senate</u> concurs. <u>House</u> and <u>Conference</u> concur but remove unfilled FTE position for Higher Education database.	Gross	\$5,891,500	\$0
	Federal	3,000,000	0
	GF/GP	\$2,891,500	\$0

Major Boilerplate Changes From FY 2010-11

NOTE: Under Executive Budget, House-passed budget, and conference report for House Bill 4325, boilerplate sections are renumbered as sections of School Aid Act. Section numbers under both traditional budget bill format and proposed School Aid Act format are listed below where applicable.

Sec. 203/237a. Research University Definition – REVISED

Defines the term "Research University" based on Carnegie Classifications. Executive retains and updates to reference 2010 classifications. Senate retains but includes both "very high research" (Michigan State, UM-Ann Arbor, Wayne State) and "high research" (Michigan Tech, Western) institutions in definition. House deletes. Conference retains but includes "Doctoral/Research Universities" (Central, Oakland) in addition to the two Senate categories. (Senate, House, and Conference list universities in alphabetical order in appropriation section of bill.)

Sec. 208/238. Reporting Via Internet – RETAINED

Requires universities to use the internet to fulfill budget act reporting requirements. Executive deletes. Senate, House, and Conference retain.

Sec. 209/239. American Goods and Services – RETAINED

States preference for American goods and services, as well as those produced in Michigan and those produced by businesses owned by veterans. Executive deletes. Senate, House, and Conference retain.

Major Boilerplate Changes From FY 2010-11

Sec. 210/239a. Foreign Auto Manufacturers – RETAINED

States intent that funds appropriated to universities not be used to purchase vehicles assembled outside U.S. Executive and House delete. Senate retains. Conference concurs with Senate.

Sec. 211/240. Deprived and Depressed Communities – RETAINED

Directs universities to ensure that businesses in deprived and depressed communities compete for and perform contracts. Executive deletes. Senate, House, and Conference retain.

Sec. 212(3)/241(3). Fiscal Agency Report – DELETED

Requires report from fiscal agencies on procedures used to arrive at appropriation amounts. Executive and Senate delete. House retains. Conference concurs with Senate.

Sec. 214. Tuition Tax Credit – DELETED

Requires universities to submit Michigan Tuition Tax Credit notification to fiscal agencies. Executive, Senate, House, and Conference delete. (Credit eliminated under tax plan.)

Sec. 218/245. Posting of Expenditure – REVISED

States intent that universities maintain a publicly-accessible website containing all expenditures made within a fiscal year; prohibits university from expending more than \$100 to implement the website. Executive deletes. Senate retains but eliminates \$100 expenditure ceiling. House retains but revises to require report categorizing institutional general fund expenditures among major categories for all academic units, administrative units, and external initiatives and to require a list of all employee salary amounts for positions funded by institutional general fund. Conference concurs with House.

Sec. 301/251. State Competitive Scholarship Program – REVISED

Provides for distribution of funds appropriated for State Competitive Scholarships; specifies maximum grant amount of at least \$1,300, unless insufficient funds are available, in which case a report is required. Executive deletes. Senate retains. House retains and revises specified maximum grant amount to reflect actual FY 2010-11 amount of \$600. Conference concurs with House.

Sec. 302/252. Tuition Grant Program – REVISED

Provides for distribution of funds appropriated for Tuition Grants; specifies maximum grant amount of at least \$2,100, unless insufficient funds are available, in which case a report is required; limits award eligibility to undergraduate students; provides that unexpended funds at close of FY 2010-11 remain available for expenditure in FY 2011-12; caps awards received by students at a single institution at \$3.0 million. Executive deletes. Senate retains. House retains and revises specified maximum grant amount to reflect actual FY 2010-11 amount of \$1,512. Conference concurs with House.

Sec. 182A. [Executive] Pathway to Higher Education Program – NOT INCLUDED

Creates new program proposed under Executive Budget to provide need-based financial aid awards to students attending either public or private colleges and universities. Executive adds new section. Senate, House, and Conference do not include.

Sec. 308/254. Financial Aid Payment Schedules – REVISED

Specifies quarterly payment schedules for the various financial aid programs. Executive and House change Tuition Incentive Program schedule from 40/40/10/10 to 50/50. Senate retains current schedule. Conference specifies 50/50 schedule for all programs.

Sec. 309/255. Needs Analysis Criteria – RETAINED

Requires Department of Treasury to determine the needs analysis criteria for students to qualify for State Competitive Scholarships and Tuition Grants. Executive deletes. Senate, House, and Conference retain.

Sec. 315/258. Financial Aid Annual Report – RETAINED

Requires annual report from Department of Treasury on all state financial aid programs. Executive deletes. Senate, House, and Conference retain.

Sec. 402/261. Douglas Lake Biological Station – RETAINED

Designates University of Michigan Douglas Lake Biological Station as a unique resource. Executive deletes. Senate, House, and Conference retain.

Sec. 426/262. Textbook Policies – RETAINED

States intent that each university develop policies for minimizing the costs of textbooks and course materials and submit a report on those policies. Executive and House delete. Senate retains. Conference concurs with Senate to retain.

Sec. 433/263. Project GREEN – RETAINED

Allocates \$5.6 million from Agricultural Experiment Station and Cooperative Extension Service appropriations for Project GREEN (Generating Research and Extension to meet Environmental and Economic Needs). Executive deletes reporting requirement. Senate retains reporting requirement. House retains existing reporting requirement and adds new requirement that Michigan State University consult with experiment station and extension service stakeholders to develop research and outreach priorities and report on those efforts. Conference concurs with Senate.

Major Boilerplate Changes From FY 2010-11

Sec. 433a/263a. Experiment and Extension Research and Outreach Priorities – NEW

Directs Michigan State University to develop, in consultation with Agricultural Experiment and Cooperative Extension Service stakeholders, a set of research and outreach priorities and, as part of that effort, to convene a summit on production agriculture; requires report on fund sources and review of major programs. Senate adds new section. Conference concurs with Senate.

Sec. 436/265. Tuition Increases – REVISED

States intent for universities to increase general fund financial aid expenditures by at the least the same percentage as resident undergraduate tuition/fees, with an emphasis on need-based awards. Executive replaces with language providing for tuition restraint incentive funds appropriated to universities to be paid only if a university certifies that it did not adopt an increase in FY 2010-11 resident undergraduate tuition/fees after February 1, 2011, and that it will not adopt an increase in FY 2011-12 resident undergraduate tuition/fees that is greater than the prior-five-year statewide average tuition/fee increase (7.1%). Senate retains current-year intent language. House includes new tuition restraint language but also retains existing reporting requirements regarding related university financial indicators. Conference concurs with House.

Sec. 437/266. University Funding Formula – NEW

States that, beginning in FY 2012-13, university operations funding shall be allocated to each university using an incentive-based formula developed by the state budget director, with the advice of relevant stakeholders, and enacted by the Legislature. Executive adds new section. House includes similar intent language but specifies that formula be developed by the Legislature and revises statement of potential policy goals. Senate does not include. Conference concurs with House.

Sec. 450. Per-Student Floor Funding – DELETED

States legislative intent to allocate funds for funding floor of \$3,775 per fiscal year equated student from year-end GF/GP unreserved balance. Executive, Senate, House, and Conference delete.

Sec. 451/268. Unfunded Indian Tuition Waiver Costs – REVISED

States legislative intent to allocate funds for unfunded Indian Tuition Waiver costs from year-end GF/GP unreserved balance. Executive deletes. Senate retains but deletes reference to year-end balance. House retains. Conference concurs with Senate.

Sec. 463. Students from Macomb County – DELETED

Requires universities to report regarding outreach efforts to enroll students from Macomb County. Executive, Senate, House, and Conference delete.

Sec. 464. Research Commercialization – DELETED

Requires universities to submit plan to inform private/public sectors regarding research that could be commercialized. Executive, Senate, House, and Conference delete.

Sec. 466/270a. Coordination of Purchases – RETAINED

Requires universities to coordinate purchases of goods and services, including use of MiDEAL and MHEC. Executive and House delete. Senate retains. Conference concurs with Senate.

Sec. 469. Graduates Receiving Pell Grants – DELETED

Requires universities to report the number of graduates who received Pell Grants during their enrollment. Executive and House delete. Senate retains. Conference concurs with House.

Sec. 470/271. Academic Program Accreditation – NEW

Requires universities to report regarding direct expenditures for academic program accreditation. House adds new section. Senate does not include. Conference concurs with House.

Sec. 471/272. Transfer Credit Reporting – NEW

Requires universities to report regarding the number of transfer credits rejected for incoming students, reported both by academic area and prior institution. House adds new section. Senate does not include. Conference concurs with House.

Sec. 472/273. Student Religious Beliefs – NEW

States intent that universities report regarding efforts to accommodate the religious beliefs of students in accredited counseling programs. Senate, House, and Conference add new section.

Sec. 473/274. Embryonic Stem Cell Research – NEW

States intent that universities conducting research using human embryonic stem cells report to the Department of Community Health regarding embryos and stem cell lines received or utilized by the university. Senate, House, and Conference add new section.

Sec. 474/274a. Adult Coresident Health Benefits – NEW

Withholds 5.0% of each university's total appropriation to be paid to the university only if it verifies to the Department of Treasury that it does not provide health insurance or other fringe benefits for unmarried adult coresidents of university employees, or dependents of such coresidents. Reappropriates any funds not paid to universities for the purposes of reducing the K-12 Michigan Public School Employees Retirement System contribution rate. House adds new section. Senate does not include. Conference includes modified language stating intent that universities not provide benefits to unmarried adult coresidents or their dependents and report on the costs of providing any such benefits but does not tie language to appropriation amounts.

Major Boilerplate Changes From FY 2010-11

Sec. 480/275. Veterans Policies – REVISED

States intent for universities to participate in the Yellow Ribbon GI Education Enhancement Program; requires report on program participation. Executive deletes. Senate and House retain. Conference adds intent that universities include question in admissions process as to whether applicant is a veteran, active member of military, member of National Guard or reserves, or spouse/dependent/spouse of someone meeting one of those criteria.

Sec. 481. Urban Centers – DELETED

States intent to consider an appropriation for grants to hire a consultant if a university is exploring the possibility of creating an urban center or core in its community. Executive, Senate, House, and Conference delete.

Sec. 482/275a. Capital Outlay Reporting – NEW

Prohibits use of state funds for self-liquidating projects; requires compliance with Joint Capital Outlay Subcommittee reporting requirements. Senate and House add new section; Senate penalty is 1.0% appropriation reduction; House penalty is forfeiture of future project consideration. Conference concurs with Senate 1.0% penalty.

Sec. 483/296. School Aid Fund Proration – NEW

Provides for university appropriation amounts funded from School Aid Fund revenue to be reduced (along with K-12 and Community College appropriations) if total School Aid Fund appropriations are greater than the revenue available in the fund. Executive and House add new section applying to all relevant budgets. Senate includes language specific to Higher Education budget. Conference concurs with House.

Sec. 490. HEIDI Advisory Committee – DELETED

Designates funds appropriated for maintenance of HEIDI database established in statute. Executive and House delete. Senate retains. Conference concurs with Senate.

Sec. 603/285. Community College Transfer – RETAINED

Requires universities to work with community colleges to encourage transfers and facilitate transfer of credits from community colleges to universities. Executive and Senate retain. House revises to create committee composed of representatives from universities, community colleges, and Legislature to improve transferability of core college courses between community colleges and universities on a statewide basis; requires interim report by March 1, 2012. Conference concurs with Senate.

Sec. 604/286. Reverse Transfer – NEW

States intent that universities work with community colleges to implement state reverse transfer agreements for students transferring from a community college to a university to be able to transfer credits back to the community college and be awarded a credential. House adds new section. Senate does not include. Conference concurs with House.

Sec. 701a/290. Degree Programs – REVISED

Lists new degree programs established by public universities for which credit hours may be reported to state HEIDI database. House, Senate, and Conference insert new list submitted by Presidents Council

Sec. 702. Responses to Audit Reports – DELETED

Requires universities to report on implementation of audit report recommendations. Executive and House delete. Senate retains. Conference concurs with House.

Sec. 709/292. Crime Statistics – RETAINED

Requires universities to make materials prepared in accordance with federal crime and campus security reporting requirements available through the Internet. Executive and House delete. Senate retains. Conference concurs with Senate.

Sec. 714/293. Student Records – RETAINED

Requires universities to provide information from the records of a student to persons authorized by student. Executive and House delete. Senate retains. Conference concurs with Senate.

Sec. 1001/294. One-Time Appropriations – NEW

Appropriates \$1.9 million GF/GP on a one-time basis only in FY 2011-12: \$500,000 for the Autism Collaborative Center at Eastern Michigan University, \$1.2 million for the Facility for Rare Isotope Beams at Michigan State University, and \$200,000 for economic development and commercialization at Western Michigan University. Conference adds new section.

Sec. 1201/236a. FY 2012-13 Appropriations – NEW

States intent to provide same appropriations for FY 2012-13, adjusted for caseload and related costs, federal fund match rates, economic factors, and available revenue. Senate adds new section in lieu of including FY 2012-13 line item section. Conference concurs with Senate with minor changes.

Comparison: FY 2011-12 University Appropriation Amounts

Conference Report: House Bill 4325 (H-1) CR-1

University	Appropriation Amounts					Conference vs. YTD		Conference Report			*Sec. 294: One-Time Funds
	FY 2010-11 Year-to-Date	Exec Rec (w/ Tuition Restaint)	Senate (No Tuition Restraint)	House (w/ Tuition Restraint)	Conference (w/ Tuition Restraint)	\$ Change	% Change	Tuition Restraint Set-Aside	School Aid Fund	GF/GP	
Central	80,132,000	68,108,900	68,108,900	68,416,700	68,108,900	(12,023,100)	(15.0)	6,677,800	11,284,600	56,824,300	0
Eastern	76,026,200	64,619,100	64,619,100	64,850,900	64,619,100	(11,407,100)	(15.0)	3,299,200	10,706,400	53,912,700	500,000
Ferris	48,619,200	41,324,300	41,324,300	41,474,000	41,324,300	(7,294,900)	(15.0)	3,352,700	6,846,800	34,477,500	0
Grand Valley	61,976,400	52,677,400	52,677,400	53,005,200	52,677,400	(9,299,000)	(15.0)	4,245,900	8,727,800	43,949,600	0
Lake Superior	12,694,200	10,789,500	10,789,500	10,856,700	10,789,500	(1,904,700)	(15.0)	734,400	1,787,600	9,001,900	0
Michigan State	283,685,200	241,120,800	241,120,800	240,918,200	241,120,800	(42,564,400)	(15.0)	18,324,600	39,949,900	201,170,900	1,200,000
Michigan Tech	47,924,200	40,733,600	40,733,600	40,761,200	40,733,600	(7,190,600)	(15.0)	3,323,900	6,748,900	33,984,700	0
Northern	45,140,300	38,367,400	38,367,400	38,422,100	38,367,400	(6,772,900)	(15.0)	2,142,200	6,356,900	32,010,500	0
Oakland	50,761,300	43,145,000	43,145,000	43,378,600	43,145,000	(7,616,300)	(15.0)	3,831,500	7,148,400	35,996,600	0
Saginaw Valley	27,720,700	23,561,500	23,561,500	23,692,000	23,561,500	(4,159,200)	(15.0)	1,592,200	3,903,800	19,657,700	0
UM-Ann Arbor	316,254,500	268,803,300	268,803,300	268,002,300	268,803,300	(47,451,200)	(15.0)	13,871,500	44,536,300	224,267,000	0
UM-Dearborn	24,726,200	21,016,300	21,016,300	21,105,900	21,016,300	(3,709,900)	(15.0)	1,388,900	3,482,100	17,534,200	0
UM-Flint	20,898,000	17,762,400	17,762,400	17,855,800	17,762,400	(3,135,600)	(15.0)	1,083,000	2,942,900	14,819,500	0
Wayne State	214,171,400	182,036,900	182,036,900	181,151,700	182,036,900	(32,134,500)	(15.0)	12,827,500	30,160,600	151,876,300	0
Western	109,615,100	93,168,300	93,168,300	93,343,400	93,168,300	(16,446,800)	(15.0)	6,301,600	15,436,500	77,731,800	200,000
TOTAL	1,420,344,900	1,207,234,700	1,207,234,700	1,207,234,700	1,207,234,700	(213,110,200)	(15.0)	82,996,900	200,019,500	1,007,215,200	1,900,000
School Aid	0	699,719,500	200,000,000	699,719,500	200,019,500	200,019,500	--				
GF/GP	1,420,344,900	507,515,200	1,007,234,700	507,515,200	1,007,215,200	(413,129,700)	(29.1)				

*Not reflected in other columns.